

108TH CONGRESS
1ST SESSION

H. R. 957

To enhance investor confidence by providing investors with easy online access to complete information about securities firms and their brokers.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2003

Mr. RENZI (for himself, Mr. OXLEY, and Mr. BAKER) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To enhance investor confidence by providing investors with easy online access to complete information about securities firms and their brokers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Broker Accountability
5 through Enhanced Transparency Act of 2003”.

6 **SEC. 2. METHOD OF MAINTAINING REGISTRATION, DIS-**
7 **CIPLINARY, AND OTHER DATA.**

8 Subsection (i) of section 15A of the Securities Ex-
9 change Act of 1934 (15 U.S.C. 78o–3(i)) is amended to
10 read as follows:

1 “(i) OBLIGATION TO MAINTAIN REGISTRATION, DIS-
2 CIPLINARY AND OTHER DATA.—

3 “(1) MAINTENANCE OF SYSTEM TO RESPOND
4 TO INQUIRIES.—A registered securities association
5 shall—

6 “(A) establish and maintain a system for
7 collecting and retaining registration informa-
8 tion, including disciplinary actions, on its mem-
9 bers and their associated persons;

10 “(B) establish and maintain a toll-free
11 telephone listing, and a readily accessible elec-
12 tronic or other process, to receive and promptly
13 respond to inquiries regarding—

14 “(i) registration information, includ-
15 ing disciplinary actions, on its members
16 and their associated persons; and

17 “(ii) registration information that has
18 been reported to the association by any
19 registered national securities exchange in-
20 volving its members and their associated
21 persons; and

22 “(C) establish rules governing the process
23 for making inquiries and the type and scope of
24 information to be provided in response to such
25 inquiries.

1 “(2) RECOVERY OF COSTS.—Such association
2 may charge persons, other than individual investors,
3 reasonable fees for responses to such inquiries.

4 “(3) PROCESS FOR DISPUTED INFORMATION.—
5 Such an association shall adopt rules addressing the
6 process for disputing the accuracy of information re-
7 ported under this subsection.

8 “(4) LIMITATION OF LIABILITY.—Such an asso-
9 ciation, or exchange reporting information to such
10 an association, shall not have any liability to any
11 person for any actions taken or omitted under this
12 subsection.”.

13 **SEC. 3. LIMITATION OF LIABILITY FOR FILING DEPOSI-**
14 **TORIES.**

15 Section 203A of the Investment Advisers Act of 1940
16 (15 U.S.C. 80b-3a) is amended by adding at the end the
17 following:

18 “(f) LIMITATION OF LIABILITY.—An entity des-
19 ignated by the Commission under subsection (d)(1) shall
20 not have any liability to any person for any action taken
21 or omitted under this section.”.

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