

## **Section-by-Section: the SEC Reform and Restructuring Act (Rep. Ann Wagner)**

TITLE I—SEC REGULATORY ACCOUNTABILITY (*SEC Regulatory Accountability Act - Sponsored by Rep. Wagner*)

Sec. 101. Requires the SEC to identify the need for a regulation before proposing it, evaluate reasonable alternatives, conduct rigorous economic analysis, and determine that a rule's benefits justify its costs. The section also requires retrospective review of major rules following implementation.

TITLE II—SEC TRANSPARENCY (*SEC Transparency Act - Sponsored by Rep. Wagner*)

Sec. 201. Requires the SEC Chairman to testify before the House Financial Services and Senate Banking Committees at least once every six months. Requires all Commissioners to participate in at least one such hearing annually.

TITLE III—SEC CYBERSECURITY (*SEC Cybersecurity Act - Sponsored by Rep. Wagner*)

Sec. 301. Requires the Government Accountability Office (GAO) to conduct an independent review of the SEC's information technology infrastructure, cybersecurity practices, data handling procedures, and related contracting activities, and report its findings to Congress.

TITLE IV—REVIEW THE EXPANSION OF GOVERNMENT (*Review the Expansion of Government Act - Sponsored by Rep. Kim*)

Sec. 401. Explicitly amends the Securities Act of 1933, Exchange Act of 1934, Investment Company Act of 1940, and Investment Advisers Act of 1940 to require that the promotion of efficiency, competition, and capital formation be weighed both individually and cumulatively with other existing and proposed regulations.

TITLE V—STREAMLINING PUBLIC COMPANY ACCOUNTING OVERSIGHT  
(*Streamlining Public Company Accounting Oversight Act - Sponsored by Rep. Bill Huizenga*)

Sec. 501. Terminates the Public Company Accounting Oversight Board (PCAOB) two years after enactment and transfers all responsibilities, rules, and records over to a newly created Office of Public Accounting Oversight within the SEC.

Sec. 502. Places the new oversight office directly under the SEC's Office of the Chief Accountant, with the SEC Chief Accountant serving as its Director. It eliminates the PCAOB's independent board membership structure and mandates that the SEC establish the office's official rules, inspection programs, and disciplinary procedures.

Sec. 503. Transfers the mandatory registration system for public accounting firms to the new Office of Public Accounting Oversight.

Sec. 504. Transfers the authority relating to auditing, quality control, and ethical standards for public company auditors directly over to the new SEC office.

Sec. 505. Consolidates oversight of foreign audit firms under the SEC, eliminating the dual-approval structure that previously required both the PCAOB and the SEC to sign off on international regulatory arrangements.

Sec. 506. Strikes the PCAOB's independent budget authority. The SEC will now directly establish and control the office's annual budget. It keeps the "accounting support fees" collected from public companies but routes them to fund the SEC office.

Sec. 507. Amends the Sarbanes-Oxley Act to officially replace the definition of "the Board" with "the Office" (the Office of Public Accounting Oversight).

Sec. 508. Amends federal legal codes (including the Consumer Credit Protection Act and the Sarbanes-Oxley table of contents) to remove references to the independent board and its repealed enforcement sections.

Sec. 509. Ensures that any existing cross-border cooperative agreements or information-sharing arrangements between the PCAOB and foreign auditor regulators remain fully valid after the transition.

Sec. 510. Grants the SEC explicit rulemaking authority to issue any new regulations necessary to execute this structural transition.

Sec. 511. Sets a two-year implementation deadline following enactment.

#### TITLE VI—STUDY REGARDING MAJOR RULES ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION

Sec. 601. Requires the GAO to periodically review the SEC's major rules, comparing the GAO's findings against the SEC's original economic analysis.

#### TITLE VII—MINIMUM PUBLIC COMMENT PERIOD

Sec. 701. Sets a minimum public comment period of 60 days for standard rulemakings, or 30 days if the SEC formally certifies an imminent danger of investor harm.

#### TITLE VIII—SECURITIES ENFORCEMENT CLARITY (*Securities Enforcement Clarity Act – Sponsored by Rep. Sessions*)

Sec. 801. Treats multiple acts of securities noncompliance as a single violation for purposes of assessing civil penalties if they share a common cause, misstatement, or continuous timeline

#### TITLE IX—SEC MODERNIZATION (*SEC Modernization Act – Sponsored by Rep. Downing*)

Sec. 901. Requires the SEC Chairman to review the Commission's organizational structure and, where practicable, reduce the number of offices and officials reporting directly to the Chairman. Requires a report to Congress describing the resulting reorganization.