

MEMO# 1073

April 3, 1989

SEC-PROPOSED LEGISLATION INTRODUCED IN CONGRESS

April 3, 1989 TO: BOARD OF GOVERNORS NO. 21-89 FEDERAL LEGISLATION MEMBERS NO. 6-89 FEDERAL LEGISLATION COMMITTEE NO. 5-89 RE: SEC-PROPOSED LEGISLATION INTRODUCED IN CONGRESS _____ At the request of the SEC, legislation dealing with various securities matters has been introduced in the Congress. In introducing the bills, Senate Securities Subcommittee Chairman Dodd said "Although we are not endorsing the measures at this time, we believe the subcommittee has a responsibility to give serious consideration to legislation proposed by the expert agency created by Congress to protect investors and ensure the integrity of the capital-raising process." The legislation proposed by the SEC includes: S. 646 (H.R. 1396) the "International Securities Enforcement Cooperation Act of 1989", a bill to facilitate cooperation between the United States and foreign countries in securities law enforcement; S. 647 (H.R. 975) the "Securities Law Enforcement Remedies Act of 1989", a bill to provide additional enforcement remedies for violations of Federal securities laws; S. 648 (H.R. 1609) the "Market Reform Act of 1989", a bill to provide the SEC with special powers in the event of a market emergency; S. 649 the "Shareholder Communications Improvement Act of 1989", a bill to require that banks and broker-dealers that hold mutual fund shares on behalf of customers forward proxy material to those customers. Most recently the House Securities Subcommittee held a hearing on H.R. 1396, the "International Securities Enforcement Cooperation Act of 1989" and Senate Securities Subcommittee Chairman Dodd has indicated that he will hold a hearing on - 2 - S. 648, the market break legislation in mid-May (date to be announced) and a series of hearings on the globalization of the securities market once the FSLIC legislation is completed (tentatively June.) The Institute is active in these matters and will keep you advised of their progress. Attached are copies of the bills and the Congressional Record statements that accompanied the bills. Julie Domenick Doerr Vice President-Legislative Affairs Attachments