

**AMENDMENT TO H.R. \_\_\_\_\_**

**OFFERED BY MR. PERLMUTTER OF COLORADO**

[amendment to IPA discussion draft of October 1, 2009]

Strike section 104 and insert the following:

**1 SEC. 104. COMMISSION STUDY ON DISCLOSURE TO RETAIL**  
**2 CUSTOMERS BEFORE PURCHASE OF PROD-**  
**3 UCTS OR SERVICES.**

**4 (a) STUDY REQUIRED.**—Prior to proposing any rules  
**5 or regulations pursuant to subsection (b)(1) regarding the**  
**6 manner in which investment products or services are sold**  
**7 or provided in the United States to retail customers or**  
**8 the information that must be provided to retail customers**  
**9 prior to the purchase of such products or services, and**  
**10 within 180 days after the date of the enactment of this**  
**11 Act, the Securities and Exchange Commission shall pub-**  
**12 lish a study that examines—**

**13 (1) the nature of a “retail customer”, taking**  
**14 into consideration the definition in section 15(k) of**  
**15 the Securities Exchange Act of 1934 (15 U.S.C.**  
**16 78o), as amended by section 103 of this Act;**

**17 (2) the range of products and services sold or**  
**18 provided to retail customers, and the sellers or pro-**

1       viders of such products and services, that are within  
2       the Commission's jurisdiction;

3           (3) how such products and services are sold or  
4       provided to retail customers, the fees charged for  
5       such products and services, and the conflicts of in-  
6       terest that may arise during the sales process or  
7       provision of services;

8           (4) information that retail customers should re-  
9       ceive prior to purchasing each product or service,  
10      and the appropriate person or entity to provide such  
11      information; and

12          (5) ways to ensure that, where possible, reason-  
13      ably similar products and services are subject to  
14      similar regulatory treatment, including with respect  
15      to information that must be provided to retail cus-  
16      tomers prior to the purchase of such products or  
17      services and how such information is provided.

18      (b) RULEMAKING.—

19          (1) Notwithstanding any other provision of the  
20      Securities Act of 1933 (15 U.S.C. 77a et seq.) or  
21      the Investment Company Act of 1940 (15 U.S.C.  
22      80a-1 et seq.), following completion of the study re-  
23      quired by subsection (a), the Commission is author-  
24      ized to promulgate rules to require that the appro-  
25      priate persons or entities provide designated docu-

1       ments or information to retail customers prior to the  
2       purchase of identified investment products or serv-  
3       ices. Any such rules shall—

4               (A) take into account the findings of the  
5       study conducted pursuant to subsection (a);

6               (B) take into consideration, to the extent  
7       possible, the need for such documents and in-  
8       formation to be consistent and comparable  
9       across investment products or services sold or  
10      provided to retail customers; and

11              (C) reduce, to the extent possible, interrup-  
12      tions to the purchase process for investment  
13      products and services sold or provided to retail  
14      customers, by means such as permitting re-  
15      quired disclosures to be made via the Internet.

16              (2) Notwithstanding paragraph (1), the Com-  
17      mission is authorized to promulgate rules in connec-  
18      tion with—

19              (A) the implementation of section 103; and

20              (B) disclosure to retail customers other  
21      than in connection with the purchase of invest-  
22      ment products or services.



