

HR 5070

Public Company Accounting Reform and Investor Protection Act of 2002

Congress: 107 (2001–2003, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jul 9, 2002

Current Status: Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.

Latest Action: Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.
(Aug 19, 2002)

Official Text: <https://www.congress.gov/bill/107th-congress/house-bill/5070>

Sponsor

Name: Rep. LaFalce, John J. [D-NY-29]

Party: Democratic • State: NY • Chamber: House

Cosponsors (6 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Dingell, John D. [D-MI-16]	D · MI		Jul 9, 2002
Rep. Gephardt, Richard A. [D-MO-3]	D · MO		Jul 9, 2002
Rep. Barrett, Thomas M. [D-WI-5]	D · WI		Jul 15, 2002
Rep. Capps, Lois [D-CA-22]	D · CA		Jul 15, 2002
Rep. Skelton, Ike [D-MO-4]	D · MO		Jul 15, 2002
Rep. Wexler, Robert [D-FL-19]	D · FL		Jul 15, 2002

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred to	Aug 19, 2002

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
107 HR 3763	Related bill	Jul 30, 2002: Became Public Law No: 107-204.
107 S 2673	Identical bill	Jul 15, 2002: Returned to the Calendar. Calendar No. 442.

Public Company Accounting Reform and Investor Protection Act of 2002 - Establishes the Public Company Accounting Oversight Board to impose sanctions upon registered public accounting firms and their associated persons. Authorizes sanctions for failure to supervise.

Grants the Securities and Exchange Commission (SEC) oversight of the Board, including general modification and rescission of Board authority.

Amends the Securities Act of 1933 to authorize the SEC to recognize, as "generally accepted" for purposes of the securities laws, accounting principles established by a standard setting body.

Amends the Securities Exchange Act of 1934 to prohibit a public accounting firm from performing certain non-audit services contemporaneously with a mandatory audit.

Mandates audit partner rotation on a five-year basis.

Prohibits a public accounting firm from performing statutorily mandated audit services if its senior executives were employed by the issuer and participated in the audit of such issuer during the one-year period preceding the audit date.

Vests the audit committee of an issuer with oversight authority over any public accounting firm performing audit services.

Requires a chief executive officer and chief financial officer to: (1) certify the veracity of mandatory financial statements; and (2) forfeit certain bonuses and compensation received following an accounting restatement owing to noncompliance with securities laws.

Prohibits insider trades during pension fund blackout periods.

Mandates enhanced disclosure of: (1) material off-balance sheet transactions and relationships; (2) pro forma financial information that is not misleading, and that is reconciled with generally accepted accounting principles; and (3) loans and loan guarantees made to senior executives.

Reduces the mandatory period for disclosure of changes in ownership of securities or security-based swap agreements by certain principal stockholders.

Mandates SEC rules governing analyst conflicts of interest.

Actions Timeline

- **Aug 19, 2002:** Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.
- **Jul 9, 2002:** Introduced in House
- **Jul 9, 2002:** Introduced in House
- **Jul 9, 2002:** Referred to the House Committee on Financial Services.