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Mutual Fund Investor Protection Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Nov 25, 2003

Current Status: Star Print ordered on the bill.

Latest Action: Star Print ordered on the bill. (Dec 9, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/senate-bill/1958>

Sponsor

Name: Sen. Kerry, John F. [D-MA]

Party: Democratic • State: MA • Chamber: Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Kennedy, Edward M. [D-MA]	D · MA		Nov 25, 2003

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Nov 25, 2003

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Mutual Fund Investor Protection Act of 2003 - Amends the Investment Company Act of 1940 to require that mutual fund securities purchase orders be placed before the registered open-end company (mutual fund) sets the price for that day.

Amends the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940 to set forth civil and criminal penalties for willful violation of the rules governing the purchase, sale or valuation of mutual fund securities.

Amends Federal criminal law to redefine racketeering activity to include such willful violations.

Amends the Investment Company Act of 1940 to: (1) mandate disclosure of market timing policies in a mutual fund prospectus; and (2) prohibit an "interested person" from serving as chairman of the board of a mutual fund.

Instructs the Securities and Exchange Commission (SEC) to: (1) publish requirements imposing specified fiduciary duties upon the board of directors of a mutual fund; (2) require specified mutual fund cost disclosures; (3) issue a concept release examining portfolio transaction costs incurred by investment companies; and (4) require additional disclosures of fees paid by mutual fund shareholders.

Amends the Investment Company Act of 1940 to prohibit short-term trading by specified mutual fund personnel or affiliates.

Directs the SEC to require each mutual fund to appoint a compliance officer.

Establishes the Mutual Fund Oversight Board (Board) to oversee the conduct of mutual funds and to establish auditing, quality control, and ethics standards.

Mandates mutual fund registration with the Board.

Requires the Board to: (1) conduct a continuing program of inspections to assess mutual fund compliance; and (2) establish procedures for investigations and disciplinary proceedings.

States that Board actions do not preempt any State securities action.

Directs the SEC to prescribe rules granting complainants the option to have any arbitration held in an independent arbitration forum of the complainant's choice.

Actions Timeline

- **Dec 9, 2003:** Star Print ordered on the bill.
- **Nov 25, 2003:** Introduced in Senate
- **Nov 25, 2003:** Sponsor introductory remarks on measure. (CR S15983-15985)
- **Nov 25, 2003:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.