

Policy Alert

House-Passed STOCK Act Does Not Require Political Intelligence Consultants to Register

February 14, 2012

On Thursday, February 9, 2011, the U.S. House of Representatives voted by an overwhelming margin of 417 to 2 to pass the House amendment to S. 2038, the Stop Trading on Congressional Knowledge Act (“STOCK Act”). Unlike the version passed by the Senate a week earlier (see our alert [here](#)), the House version does not require “political intelligence consultants” to register and report their activities under the Lobbying Disclosure Act. The House version requires, instead, that the Comptroller General of the United States and the Congressional Research Service, within one year, submit a report detailing the role of political intelligence in the financial markets including a discussion of—

- the prevalence of the sale of political intelligence and the extent to which investors rely on such information
- what is known about the effect that the sale of political intelligence may have on the financial markets
- the extent to which information being sold would be considered nonpublic information
- the legal and ethical issues that may be raised by the sale of political intelligence
- benefits from imposing disclosure requirements on those who engage in political intelligence activities
- any legal and practical issues that may be raised by the imposition of disclosure requirements on those who engage in political intelligence activities.

A reconciliation of the House and Senate versions may yield a compromise on the “political intelligence consultants” provision. We will continue to monitor the bill’s progress and provide additional information as it becomes available.

CONTACT INFORMATION

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