

Policy Alert

Final Version of Stock Act Does Not Require Political Intelligence Consultants to Register

March 26, 2012

On Thursday, March 22, 2012, the U.S. Senate voted 96-3 to pass the version of the Stop Trading on Congressional Knowledge Act (“STOCK Act”) adopted by the U.S. House of Representatives in February of this year. (See our alerts [here](#) and [here](#)). The final version sent to President Obama for signature bans insider trading by members of Congress, their staff and those executive branch employees who are required to file financial disclosure statements, but does not require “political intelligence consultants” to register and report their activities under the Lobbying Disclosure Act. Instead, the bill requires 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.

In light of the final passage of the STOCK Act, companies should carefully review their internal policies regarding insider trading and communications with government officials.

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