



**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503**

October 28, 2013  
(House Rules)

## **STATEMENT OF ADMINISTRATION POLICY**

**H.R. 2374 – Retail Investor Protection Act**  
(Rep. Wagner, R-MO, and Rep. Murphy, D-FL)

The Administration strongly opposes passage of H.R. 2374 because it would derail important rulemakings underway at the Securities Exchange Commission (SEC) and the Department of Labor that are critical to protecting Americans' hard-earned savings and preserving their retirement security.

H.R. 2374 prohibits Labor from issuing a rule to protect investors until the SEC engages in and completes further study of the effect of a rulemaking on retail investors. The bill ignores the fact that significant work has already been conducted in both agencies and that the agencies have included and continue to include the public, industry, and numerous stakeholders in their rulemaking processes. Moreover, the two agencies are already working closely to avoid conflicting requirements for the regulated community, and this legislation would hamper effective coordination between the two agencies. The bill would hinder efforts to protect consumers from conflicts of interest among brokers, dealers, financial advisors, and others whose incentives may be misaligned with investors, potentially leading to deceptive and abusive practices.

The Administration is committed to ensuring that American workers and retirees are able to receive advice about how to invest their money in safe, secure, and transparent financial products that is free from harmful conflicts of interest. These ongoing rulemakings are designed to protect trillions of dollars in retirement savings of millions of workers and retirees by ensuring that paid advisors and other entities do not place their own financial interests over those of their customers. This legislation would place an unnecessary obstacle in the way of these efforts to prevent such harmful conflicts of interest, which hurt businesses, consumers, and retirees and their families.

If the President were presented with H.R. 2374, his senior advisors would recommend that he veto the bill.

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