

1 the Commission to the extent practicable. Noth-  
2 ing in this paragraph shall be construed as re-  
3 placing, altering, or diminishing the activities of  
4 any ombudsman or similar office of any other  
5 agency.

6 “(D) REPORT.—The Ombudsman shall  
7 submit a semiannual report to the Investor Ad-  
8 vocate that describes the activities and evalu-  
9 ates the effectiveness of the Ombudsman during  
10 the preceding year. The Investor Advocate shall  
11 include the reports required under this section  
12 in the reports required to be submitted by the  
13 Inspector Advocate under paragraph (6).”.

## 14 **Subtitle B—Increasing Regulatory** 15 **Enforcement and Remedies**

### 16 **SEC. 921. AUTHORITY TO RESTRICT MANDATORY PRE-DIS-** 17 **PUTE ARBITRATION.**

18 (a) AMENDMENT TO SECURITIES EXCHANGE ACT OF  
19 1934.—Section 15 of the Securities Exchange Act of 1934  
20 (15 U.S.C. 78o), as amended by this title, is further  
21 amended by adding at the end the following new sub-  
22 section:

23 “(o) AUTHORITY TO RESTRICT MANDATORY PRE-  
24 DISPUTE ARBITRATION.—The Commission, by rule, may  
25 prohibit, or impose conditions or limitations on the use

1 of, agreements that require customers or clients of any  
2 broker, dealer, or municipal securities dealer to arbitrate  
3 any future dispute between them arising under the Fed-  
4 eral securities laws, the rules and regulations thereunder,  
5 or the rules of a self-regulatory organization if it finds  
6 that such prohibition, imposition of conditions, or limita-  
7 tions are in the public interest and for the protection of  
8 investors.”.

9 (b) AMENDMENT TO INVESTMENT ADVISERS ACT OF  
10 1940.—Section 205 of the Investment Advisers Act of  
11 1940 (15 U.S.C. 80b–5) is amended by adding at the end  
12 the following new subsection:

13 “(f) AUTHORITY TO RESTRICT MANDATORY PRE-  
14 DISPUTE ARBITRATION.—The Commission, by rule, may  
15 prohibit, or impose conditions or limitations on the use  
16 of, agreements that require customers or clients of any  
17 investment adviser to arbitrate any future dispute between  
18 them arising under the Federal securities laws, the rules  
19 and regulations thereunder, or the rules of a self-regu-  
20 latory organization if it finds that such prohibition, im-  
21 sition of conditions, or limitations are in the public inter-  
22 est and for the protection of investors.”.