

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 616

To amend the Securities Exchange Act of 1934 to permit members of national securities exchanges to effect certain transactions with respect to accounts for which such members exercise investment discretion.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1993

Mr. MARKEY (for himself and Mr. FIELDS of Texas) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend the Securities Exchange Act of 1934 to permit members of national securities exchanges to effect certain transactions with respect to accounts for which such members exercise investment discretion.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PROHIBITED TRANSACTIONS.**

4 Section 11(a)(1) of the Securities Exchange Act of  
5 1934 (15 U.S.C. 78k(a)(1)) is amended—

6 (1) in subparagraph (E), by striking “(other  
7 than an investment company)”;

1           (2) by striking “and” at the end of subpara-  
2 graph (G);

3           (3) by redesignating subparagraph (H) as sub-  
4 paragraph (I); and

5           (4) by inserting after subparagraph (G) the fol-  
6 lowing new paragraph:

7           “(H) any transaction for an account with re-  
8 spect to which such member or an associated person  
9 thereof exercises investment discretion if such mem-  
10 ber—

11                 “(i) has obtained, from the person or per-  
12 sons authorized to transact business for the ac-  
13 count, express authorization for such member  
14 or associated person to effect such transactions  
15 prior to engaging in the practice of effecting  
16 such transactions;

17                 “(ii) furnishes the person or persons au-  
18 thorized to transact business for the account  
19 with a statement at least annually disclosing  
20 the aggregate compensation received by the ex-  
21 change member in effecting such transactions;  
22 and

23                 “(iii) complies with any rules the Commis-  
24 sion has prescribed with respect to the require-  
25 ments of clauses (i) and (ii); and”.

