

Union Calendar No. 34

103D CONGRESS
1ST SESSION

H. R. 616

[Report No. 103-76]

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.

APRIL 29, 1993

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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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

APRIL 29, 1993

Additional sponsor: Mr. MOORHEAD

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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,*

1 **SECTION 1. PROHIBITED TRANSACTIONS.**

2 Section 11(a)(1) of the Securities Exchange Act of
3 1934 (15 U.S.C. 78k(a)(1)) is amended—

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

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

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

10 (4) by inserting after subparagraph (G) the fol-
11 lowing new subparagraph:

12 “(H) any transaction for an account with re-
13 spect to which such member or an associated person
14 thereof exercises investment discretion if such mem-
15 ber—

16 “(i) has obtained, from the person or per-
17 sons authorized to transact business for the ac-
18 count, express authorization for such member
19 or associated person to effect such transactions
20 prior to engaging in the practice of effecting
21 such transactions;

22 “(ii) furnishes the person or persons au-
23 thorized to transact business for the account
24 with a statement at least annually disclosing
25 the aggregate compensation received by the ex-

1 change member in effecting such transactions;

2 and

3 “(iii) complies with any rules the Commis-

4 sion has prescribed with respect to the require-

5 ments of clauses (i) and (ii); and”.