

117TH CONGRESS
2D SESSION

H. R. 8617

To amend the Securities Exchange Act of 1934 to revise the definition
of a facility.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2022

Mr. LOUDERMILK (for himself and Mr. DAVID SCOTT of Georgia) introduced
the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to revise
the definition of a facility.

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. SHORT TITLE.**

4 This Act may be cited as the “Exchange Regulatory
5 Improvement Act of 2022”.

6 **SEC. 2. DEFINITION OF A FACILITY.**

7 Paragraph (2) of section 3(a) of the Securities Ex-
8 change Act of 1934 (15 U.S.C. 78c(a)) is amended to read
9 as follows:

10 “(2) FACILITY.—

1 “(A) IN GENERAL.—The term ‘facility’,
2 when used with respect to an exchange,
3 means—

4 “(i) the exchange’s trading systems,
5 which are—

6 “(I) the hardware, software, and
7 related network infrastructure an ex-
8 change uses to receive, acknowledge,
9 rank, match, and execute orders in se-
10 curities traded on that exchange; and

11 “(II) the hardware, software, and
12 related network infrastructure an ex-
13 change uses to function as the exclu-
14 sive processor of market data created
15 by the exchange trading systems;

16 “(ii) any premises or services made
17 available to an exchange member or other
18 person for the purpose of providing phys-
19 ical space and equipment to enable such
20 member or other person to locate the
21 equipment of the member or other person
22 in close physical proximity to the ex-
23 change’s trading systems; and

24 “(iii) any premises or services made
25 available by the exchange to an exchange

1 member or persons associated with mem-
2 bers that exclusively connects such mem-
3 bers and persons associated with members
4 to exchange trading systems for the pur-
5 pose of effecting or reporting a transaction
6 on the exchange.

7 “(B) EXCEPTION.—The term ‘facility’,
8 when used with respect to an exchange, does
9 not include any service that—

10 “(i) does not fall within the scope of
11 clauses (i) through (iii) of subparagraph
12 (A); and

13 “(ii) can legally be offered by a person
14 or entity that is not an exchange registered
15 under section 6.”.

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