

Union Calendar No. 681

115TH CONGRESS
2^D SESSION

H. R. 3555

[Report No. 115–883]

To amend the Securities Exchange Act of 1934 to provide that the definition of a facility of an exchange does not apply to a line of business the purpose of which is not to effect or report a transaction on an exchange.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2017

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

AUGUST 3, 2018

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on July 28, 2017]

A BILL

To amend the Securities Exchange Act of 1934 to provide that the definition of a facility of an exchange does not apply to a line of business the purpose of which is not to effect or report a transaction on an exchange.

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”.*

6 **SEC. 2. FINDINGS.**

7 *The Congress finds the following:*

8 *(1) Over time, national securities exchanges have*
9 *expanded their businesses beyond listings and trading*
10 *to include the sale of additional products and services*
11 *to their members and listed companies.*

12 *(2) The Securities and Exchange Commission*
13 *should be transparent in its interpretation of the term*
14 *“facility” in section 3(a) of the Securities Exchange*
15 *Act of 1934 (15 U.S.C. 78c(a)).*

16 **SEC. 3. FACILITY DEFINED.**

17 *(a) IN GENERAL.—Not later than 360 days after the*
18 *date of enactment of this Act, the Securities and Exchange*
19 *Commission (the “Commission”) shall adopt regulations to*
20 *further interpret the term “facility” under section 3(a) of*
21 *the Securities Exchange Act of 1934. Such regulations shall*
22 *set forth the facts and circumstances the Commission con-*
23 *siders when determining whether any premises or property,*
24 *or the right to use any premises, property, or service is or*
25 *is not a facility of an exchange.*

1 (b) *APPLICATION TO PROPOSED RULES.*—*The Com-*
2 *mission shall apply the facts and circumstances set forth*
3 *in the regulations issued pursuant to subsection (a) in de-*
4 *termining whether any proposed rule is or is not required*
5 *to be submitted as a proposed rule filing pursuant to section*
6 *19 of the Securities Exchange Act of 1934 and the rules*
7 *and regulations issued thereunder.*

Amend the title so as to read: “A bill to require the Securities and Exchange Commission to issue regulations to further interpret the term ‘facility’ under the Securities Exchange Act of 1934.”.

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