

Public Law 103-68
103d Congress

An Act

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.

Aug. 11, 1993
[H.R. 616]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITED TRANSACTIONS.

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

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

(2) by striking “and” at the end of subparagraph (G);

(3) by redesignating subparagraph (H) as subparagraph (I); and

(4) by inserting after subparagraph (G) the following new subparagraph:

“(H) any transaction for an account with respect to which such member or an associated person thereof exercises investment discretion if such member—

“(i) has obtained, from the person or persons authorized to transact business for the account, express authorization for such member or associated person to effect such transactions prior to engaging in the practice of effecting such transactions;

“(ii) furnishes the person or persons authorized to transact business for the account with a statement at least annually disclosing the aggregate compensation received by the exchange member in effecting such transactions; and

“(iii) complies with any rules the Commission has prescribed with respect to the requirements of clauses (i) and (ii); and”.

Approved August 11, 1993.

LEGISLATIVE HISTORY—H.R. 616:

HOUSE REPORTS: No. 103-76 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 139 (1993):

May 4, considered and passed House.

July 29, considered and passed Senate.