

Public Law 98-38
98th Congress

An Act

To make certain amendments to sections 4, 13, 14, 15, and 15B of the Securities Exchange Act of 1934.

June 6, 1983
[H.R. 2681]

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

SECTION 1. Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended by adding at the end thereof the following new subsections:

“(c) Notwithstanding any other provision of law, in accordance with regulations which the Commission shall prescribe to prevent conflicts of interest, the Commission may accept payment and reimbursement, in cash or in kind, from non-Federal agencies, organizations, and individuals for travel, subsistence, and other necessary expenses incurred by Commission members and employees in attending meetings and conferences concerning the functions or activities of the Commission. Any payment or reimbursement accepted shall be credited to the appropriated funds of the Commission. The amount of travel, subsistence, and other necessary expenses for members and employees paid or reimbursed under this subsection may exceed per diem amounts established in official travel regulations, but the Commission may include in its regulations under this subsection a limitation on such amounts.

“(d) Notwithstanding any other provision of law, former employees of participants in the Commission’s professional fellows programs may pay such participants their actual expenses for relocation to Washington, District of Columbia, to facilitate their participation in such programs, and program participants may accept such payments.”.

SEC. 2. (a) Section 13(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new paragraph:

“(3) At the time of filing such statement as the Commission may require by rule pursuant to paragraph (1) of this subsection, the person making the filing shall pay to the Commission a fee of $\frac{1}{50}$ of 1 per centum of the value of securities proposed to be purchased. The fee shall be reduced with respect to securities in an amount equal to any fee paid with respect to any securities issued in connection with the proposed transaction under section 6(b) of the Securities Act of 1933, or the fee paid under that section shall be reduced in an amount equal to the fee paid to the Commission in connection with such transaction under this paragraph.”.

(b) Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end thereof the following new subsection:

“(g)(1)(A) At the time of filing such preliminary proxy solicitation material as the Commission may require by rule pursuant to subsection (a) of this section that concerns an acquisition, merger, consolidation, or proposed sale or other disposition of substantially all the

Securities
Exchange
Act of 1934,
amendment.
Reimbursement
regulations.

Filing fee.

15 USC 77f.

Filing fees.

15 USC 80a-51.

assets of a company, the person making such filing, other than a company registered under the Investment Company Act of 1940, shall pay to the Commission the following fees:

"(i) for preliminary proxy solicitation material involving an acquisition, merger, or consolidation, if there is a proposed payment of cash or transfer of securities or property to shareholders, a fee of $\frac{1}{100}$ of 1 per centum of such proposed payment, or of the value of such securities or other property proposed to be transferred; and

"(ii) for preliminary proxy solicitation material involving a proposed sale or other disposition of substantially all of the assets of a company, a fee of $\frac{1}{100}$ of 1 per centum of the cash or of the value of any securities or other property proposed to be received upon such sale or disposition.

Reduction of
fees.

"(B) The fee imposed under subparagraph (A) shall be reduced with respect to securities in an amount equal to any fee paid to the Commission with respect to such securities in connection with the proposed transaction under section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)), or the fee paid under that section shall be reduced in an amount equal to the fee paid to the Commission in connection with such transaction under this subsection. Where two or more companies involved in an acquisition, merger, consolidation, sale, or other disposition of substantially all the assets of a company must file such proxy material with the Commission, each shall pay a proportionate share of such fee.

"(2) At the time of filing such preliminary information statement as the Commission may require by rule pursuant to subsection (c) of this section, the issuer shall pay to the Commission the same fee as required for preliminary proxy solicitation material under paragraph (1) of this subsection.

"(3) At the time of filing such statement as the Commission may require by rule pursuant to subsection (d)(1) of this section, the person making the filing shall pay to the Commission a fee of $\frac{1}{100}$ of 1 per centum of the aggregate amount of cash or of the value of securities or other property proposed to be offered. The fee shall be reduced with respect to securities in an amount equal to any fee paid with respect to such securities in connection with the proposed transaction under section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)), or the fee paid under that section shall be reduced in an amount equal to the fee paid to the Commission in connection with such transaction under this subsection.

"(4) Notwithstanding any other provision of law, the Commission may impose fees, charges, or prices for matters not involving any acquisition, merger, consolidation sale, or other disposition of assets described in this subsection, as authorized by section 9701 of title 31, United States Code, or otherwise."

96 Stat. 1051.

SEC. 3. (a) Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended—

(1) by striking out paragraph (8) and inserting in lieu thereof the following:

"(8) It shall be unlawful for any broker or dealer required to register pursuant to this title to effect any transaction in, or induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills), unless such broker or dealer is a member of a securities association registered pursuant to section

15A of this title or effects transactions in securities solely on a national securities exchange of which it is a member.”; and

15 USC 78o-3.

(2) by striking out paragraph (9) and inserting in lieu thereof the following:

“(9) The Commission by rule or order, as it deems consistent with the public interest and the protection of investors, may conditionally or unconditionally exempt from paragraph (8) of this subsection any broker or dealer or class of brokers or dealers specified in such rule or order.”

(b) The amendments made by subsection (a) shall become effective six months after the date of enactment of this Act.

Effective date.
15 USC 78o note.

SEC. 4. (a) Section 15B(b)(1)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(b)(1)) is amended by inserting immediately after “securities dealer” the following: “(other than by reason of being under common control with, or indirectly controlling, any broker or dealer which is not a municipal securities broker or municipal securities dealer)”.

(b) Section 15B(b)(2)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(b)(2)(B)) is amended by inserting immediately after “broker, dealer, or municipal securities dealer” the following: “(other than by reason of being under common control with, or indirectly controlling, any broker or dealer which is not a municipal securities broker or municipal securities dealer)”.

Approved June 6, 1983.

LEGISLATIVE HISTORY—H.R. 2681:

HOUSE REPORT No. 98-106 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 129 (1983):

May 17, considered and passed House.

May 25, considered and passed Senate.