

[DISCUSSION DRAFT]

117<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

To amend the Securities Exchange Act of 1934 to require the Securities and Exchange Commission to promulgate a rule prohibiting or limiting the use of tiered rebate payments by national securities exchanges.

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IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Securities Exchange Act of 1934 to require the Securities and Exchange Commission to promulgate a rule prohibiting or limiting the use of tiered rebate payments by national securities exchanges.

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 “Fairness in Exchange  
5 Transaction Pricing Act”.

1 **SEC. 2 MINIMUM PRICING INCREMENTS FOR NMS STOCKS.**

2 Section 11A(c) of the Securities Exchange Act of  
3 1934 (15 U.S.C. 78k-1(c)) is amended by adding at the  
4 end the following:

5 “(7) REBATE PRICING TIERS.—The Commission  
6 shall, within 180 days of the date of enactment of this  
7 paragraph, adopt such rules as the Commission deter-  
8 mines necessary or appropriate in the public interest, to  
9 protect investors, to ensure fair and orderly markets, or  
10 to perfect a free and open market and a national market  
11 system, to prohibit or limit the use of rebate payments  
12 by any national securities exchange to the members of the  
13 exchange with respect to transactions effected on the ex-  
14 change, where the amounts of such payments are tiered  
15 based on the aggregate volume of transactions effected by  
16 such members.”.