

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to prohibit certain payment
for order flow.

IN THE HOUSE OF REPRESENTATIVES

M_____, _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Securities Exchange Act of 1934 to prohibit
certain payment for order flow.

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 “[To be added Act of
5 2021]”.

1 **SEC. 2. PROHIBITION ON CERTAIN PAYMENT FOR ORDER**
2 **FLOW.**

3 Section 11 of the Securities Exchange Act of 1934
4 (15 U.S.C. 78k) is amended by adding at the end the fol-
5 lowing:

6 “(e) PROHIBITION ON CERTAIN PAYMENT FOR
7 ORDER FLOW.—It shall be unlawful to solicit, receive, or
8 provide payment for order flow (as such term is defined
9 under section 240.10b-10(d)(8) of title 17, Code of Fed-
10 eral Regulations, on the date of enactment of this sub-
11 section) that consists of a monetary payment, service,
12 property, or other benefit that results in remuneration,
13 compensation, or consideration to a broker or dealer
14 from—

15 [“(1) a national securities exchange in return
16 for the routing of customer orders by such broker or
17 dealer to a national securities exchange for execu-
18 tion; or]

19 “(2) another broker or dealer in return for the
20 routing of customer orders by such broker or dealer
21 to another broker or dealer for execution.”.