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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to provide a definition
for dealer.

IN THE HOUSE OF REPRESENTATIVES

Mr. DONALDS introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Securities Exchange Act of 1934 to provide
a definition for dealer.

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 “Defining Dealer Act”.

5 **SEC. 2. DEFINITION OF THE TERM DEALER.**

6 (a) AMENDMENT TO DEFINITION OF THE TERM
7 DEALER.—

1 (1) IN GENERAL.—Subparagraph (A) of section
2 3(a)(5) of the Securities Exchange Act of 1934 (15
3 U.S.C. 78C(a)(5)) is amended to read as follows:

4 “(A) DEFINITION OF DEALER.—The term
5 ‘dealer’ means any person engaged in the busi-
6 ness of effecting securities transactions for cus-
7 tomers both—

8 “(i) by buying from their customers
9 securities (not including security-based
10 swaps, other than security-based swaps
11 with or for persons that are not eligible
12 contract participants) for such person’s
13 own account through a broker or otherwise
14 with a view of disposing of them elsewhere;
15 and

16 “(ii) by selling to their customers se-
17 curities (not including security-based
18 swaps, other than security-based swaps
19 with or for persons that are not eligible
20 contract participants) which they have pur-
21 chased for their own account elsewhere.”.

22 (2) EFFECTIVE DATE.—The amendment made
23 by this subsection shall take effect on the date that
24 is 30 days after the date of the enactment of this
25 Act.

1 (b) TREATMENT OF CERTAIN ORDERS AND JUDG-
2 MENTS.—

3 (1) TRANSITION PERIOD.—With respect to a
4 covered action entered between the date of the en-
5 actment of this Act and the effective date described
6 in subsection (a)(2) that would not have been en-
7 tered if the amendment described in subsection
8 (a)(1) was in effect at the time such covered action
9 was entered, the applicable court or the Securities
10 and Exchange Commission shall vacate the covered
11 action not later than 5 years after the date of the
12 enactment of this Act.

13 (2) PRIOR JUDGMENTS.—With respect to a cov-
14 ered action entered prior to the date of the enact-
15 ment of this Act that would not have been entered
16 if amendment described in subsection (a)(1) was in
17 effect at the time such covered action was entered,
18 the applicable court or the Securities and Exchange
19 Commission shall vacate the covered action as soon
20 as practicable.

21 (3) COVERED ACTION.—In this subsection, the
22 term “covered action” means an order or judgment
23 (including a consent order) entered by a court or the
24 Securities and Exchange Commission.