

117TH CONGRESS
1ST SESSION

H. R. 4467

To amend the Securities Exchange Act of 1934 to require the Securities and Exchange Commission to issue rules that prohibit officers and directors of certain companies from trading securities in anticipation of a current report, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2021

Mrs. CAROLYN B. MALONEY of New York introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to require the Securities and Exchange Commission to issue rules that prohibit officers and directors of certain companies from trading securities in anticipation of a current report, and for other purposes.

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 “8-K Trading Gap Act
5 of 2021”.

1 **SEC. 2. PROHIBITION ON CERTAIN TRADING IN ANTICIPATION OF A CURRENT REPORT.**

3 The Securities Exchange Act of 1934 (15 U.S.C. 78a
4 et seq.) is amended by inserting after section 10D the fol-
5 lowing:

6 **“SEC. 10E. PROHIBITION ON CERTAIN TRADING IN ANTICIPATION OF A CURRENT REPORT.**

8 “(a) PROHIBITION.—Not later than 1 year after the
9 date of enactment of this section, the Commission shall
10 issue rules that require each issuer that is subject to re-
11 porting requirements under section 13(a) or 15(d) to es-
12 tablish and maintain policies, controls, and procedures
13 that are reasonably designed to prohibit executive officers
14 and directors of the issuer from purchasing, selling, or
15 otherwise transferring any equity security of the issuer,
16 directly or indirectly—

17 “(1) with respect to an event described in sec-
18 tions 1 through 6 of Form 8–K, between—

19 “(A) the occurrence of such event; and

20 “(B) the filing or furnishing of a current
21 report on Form 8–K with respect to such event;
22 and

23 “(2) with respect to an event described in sec-
24 tion 7 or 8 of Form 8–K, between—

25 “(A) the date on which the issuer deter-
26 mines that it will disclose such event; and

1 “(B) the filing or furnishing of a current
2 report on Form 8-K with respect to such event.

3 “(b) PERMISSIBLE TRANSACTIONS.—In issuing rules
4 under subsection (a), the Commission—

5 “(1) may exempt certain transactions that the
6 Commission determines is appropriate, including
7 those that—

8 “(A) occur automatically;

9 “(B) are made pursuant to an advance
10 election; or

11 “(C) except as provided in paragraph (2),
12 involve a purchase or sale of equity securities
13 that satisfies the conditions under section
14 240.10b5-1(c) of title 17, Code of Federal Reg-
15 ulations;

16 “(2) may not exempt from those rules a trans-
17 action made by an executive officer or director of an
18 issuer under a plan that—

19 “(A) is described in section 240.10b5-
20 1(c)(1)(i)(A)(3) of title 17, Code of Federal
21 Regulations; and

22 “(B) was adopted—

23 “(i) with respect to an event described
24 in sections 1 through 6 of Form 8-K, be-
25 tween—

1 “(I) the occurrence of such event;
2 and

3 “(II) the filing or furnishing of a
4 current report on Form 8-K with re-
5 spect to such event; and

6 “(ii) with respect to an event de-
7 scribed in section 7 or 8 of Form 8-K, be-
8 tween—

9 “(I) the date on which the issuer
10 determines that it will disclose such
11 event; and

12 “(II) the filing or furnishing of a
13 current report on Form 8-K with re-
14 spect to such event; and

15 “(3) shall exempt from those rules—

16 “(A) issuers required to adopt and admin-
17 ister a code of ethics pursuant section 270.17j-
18 1 of title 17, Code of Federal Regulations, and
19 any other issuers registered under the Invest-
20 ment Company Act of 1940 whose investment
21 advisers are required to adopt and administer a
22 code of ethics pursuant to section 275.204A-1
23 of title 17, Code of Federal Regulations; and

24 “(B) any event where such event is de-
25 scribed in sections 1 through 6 of Form 8-K

1 and the issuer has announced such event in a
2 press release or other method of dissemination
3 that complies with the requirements of section
4 101(e)(2) of Regulation FD (17 CFR Part
5 243.101(e)(2)).

6 “(c) REFERENCE EFFECTIVE DATES.—Each ref-
7 erence to a rule (including each reference to Form 8-K)
8 under this section is a reference to such rule as in effect
9 on the date of the enactment of this section.”.

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