....
(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

To prohibit the Securities and Exchange Commission from compelling a person to produce or furnish algorithmic trading source code or similar intellectual property to the Commission unless the Commission first issues a subpoena, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

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Mr. DUFFY (for himself, Mr. HULTGREN, and Mr. DAVID SCOTT of Georgia) introduced the following bill; which was referred to the Committee on _____

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A BILL

To prohibit the Securities and Exchange Commission from compelling a person to produce or furnish algorithmic trading source code or similar intellectual property to the Commission unless the Commission first issues a subpoena, 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 ''Protection of Source

5 Code Act''.

SEC. 2. PROCEDURE FOR OBTAINING CERTAIN INTELLEC-
TUAL PROPERTY.

(a) PERSONS UNDER SECURITIES ACT OF 1933.—
Section 8 of the Securities Act of 1933 (15 U.S.C. 77h)
is amended by adding at the end the following:

"(g) PROCEDURE FOR OBTAINING CERTAIN INTEL-
LECTUAL PROPERTY.—The Commission is not authorized
to compel under this title a person to produce or furnish
source code, including algorithmic trading source code or
similar intellectual property that forms the basis for de-
sign of or provides insight to the source code, to the Com-
mission unless the Commission first issues a subpoena.".

(b) PERSONS UNDER THE SECURITIES EXCHANGE
ACT OF 1934.—Section 23 of the Securities Exchange Act
of 1934 (15 U.S.C. 78w) is amended by adding at the
end the following:

"(e) PROCEDURE FOR OBTAINING CERTAIN INTEL-
LECTUAL PROPERTY.—The Commission is not authorized
to compel under this title a person to produce or furnish
source code, including algorithmic trading source code or
similar intellectual property that forms the basis for de-
sign of or provides insight to the source code, to the Com-
mission unless the Commission first issues a subpoena.".

(c) INVESTMENT COMPANIES.—Section 31 of the In-
vestment Company Act of 1940 (15 U.S.C. 80a–30) is
amended by adding at the end the following:

1 ''(e) PROCEDURE FOR OBTAINING CERTAIN INTEL-

2 LECTUAL PROPERTY.—The Commission is not authorized

3 to compel under this title an investment company to

4 produce or furnish source code, including algorithmic trad-

5 ing source code or similar intellectual property that forms

6 the basis for design of or provides insight to the source

7 code, to the Commission unless the Commission first

8 issues a subpoena.''.

9 (d) INVESTMENT ADVISERS.—Section 204 of the In-

10 vestment Advisers Act of 1940 (15 U.S.C. 80b–4) is

11 amended—

12 (1) by adding at the end the following:

13 ''(f) PROCEDURE FOR OBTAINING CERTAIN INTEL-

14 LECTUAL PROPERTY.—The Commission is not authorized

15 to compel under this title an investment adviser to produce

16 or furnish source code, including algorithmic trading

17 source code or similar intellectual property that forms the

18 basis for design of or provides insight to the source code,

19 to the Commission unless the Commission first issues a

20 subpoena.''; and

21 (2) in the second subsection (d), by striking

22 ''(d)'' and inserting ''(e)''.