

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To require the Securities and Exchange Commission to carry out a study on the impact of the gamification of online trading platforms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To require the Securities and Exchange Commission to carry out a study on the impact of the gamification of online trading platforms, 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 “[To be added Act of
5 2021]”.

6 **SEC. 2. SEC STUDY ON THE GAMIFICATION OF INVESTING.**

7 (a) STUDY.—The Securities and Exchange Commis-
8 sion shall carry out a study on the impact of the

1 gamification of online trading platforms, including the fol-
2 lowing:

3 (1) The various ways in which brokers are
4 using gamification in marketing strategies that tar-
5 get or include retail customers.

6 (2) The various ways in which brokers are in-
7 corporating “game-like” features and designs in
8 their online trading applications used by retail cus-
9 tomers.

10 (3) The various ways in which brokers are
11 using gamification in educational strategies that tar-
12 get or include retail customers.

13 (4) Whether certain platform gamification
14 functionality, including “gamified” features, may
15 constitute investment advice or recommendations
16 under Federal securities laws and regulations, in-
17 cluding Regulation Best Interest (17 C.F.R.
18 240.15l-1).

19 (5) A comparison between the investment activ-
20 ity, habits, and risk tolerance of—

21 (A) retail customers of firms that use
22 gamification in marketing, or that incorporate
23 “game-like” features and designs in their online
24 trading applications; and

1 (B) retail customers of firms that do not
2 use gamification in marketing and that do not
3 incorporate “game-like” features and designs in
4 their online trading applications.

5 (6) How brokers that use gamification in mar-
6 keting strategies that target or include retail inves-
7 tors, or that incorporate “game-like” features and
8 designs in their online trading applications, are dis-
9 closing the risks associated with leverage, complex
10 products, or frequent trading.

11 (7) The average customer demographic (includ-
12 ing age and investment experience) of brokers that
13 use gamification in marketing strategies that target
14 or include retail investors, or that incorporate
15 “game-like” features and designs in their online
16 trading applications.

17 (b) COMMISSION REPORT.—Not later than the end
18 of the 180-day period beginning on the date of enactment
19 of this Act, the Commission shall issue a report to the
20 Investor Advocate of the Commission and the Congress
21 containing all findings and determinations made in car-
22 rying out the study required under subsection (a).

23 (c) REPORT AND RECOMMENDATIONS OF THE INVES-
24 TOR ADVOCATE.—Not later than the end of the 90-day
25 period beginning on the date that the Investor Advocate

1 of the Commission receives the report issued under sub-
2 section (b), the Investor Advocate shall—

3 (1) review the report issued by the Commission;

4 and

5 (2) issue a report to the Congress containing
6 any recommendations the Investor Advocate may
7 have, including—

8 (A) recommendations on how gamification
9 should be defined;

10 (B) the distinction between gamification
11 and other forms of marketing; and

12 (C) any other regulatory or legislative rec-
13 ommendations the Investor Advocate may have.