

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to establish certain requirements with respect to retail investor options trading, and for other purposes.

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 establish certain requirements with respect to retail investor options trading, 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 **["____ Act of 2021"]**.

1 **SEC. 2. REQUIREMENTS RELATING TO RETAIL INVESTOR**
2 **OPTIONS TRADING.**

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

6 “(p) REQUIREMENTS RELATING TO RETAIL INVES-
7 TOR OPTIONS TRADING.—

8 “(1) PROHIBITION OF INCENTIVES.—A broker
9 may not provide incentives to retail investors to en-
10 gage in options trading.

11 “(2) DISCLOSURE TO RETAIL INVESTORS.—
12 **【Beginning on the date the Commission establishes**
13 **the method required under paragraph (3)】**, on the
14 date on which a broker first approves a retail inves-
15 tor for options trading and annually thereafter, such
16 broker shall disclose to such retail investor the per-
17 centage of other retail investors of the broker who
18 experienced aggregate options trading losses in the
19 6 months preceding such disclosure.

20 “(3) CALCULATING AGGREGATE OPTIONS TRAD-
21 ING LOSSES.—Not later than **【_____ days】** after the
22 date of the enactment of this subsection, the Com-
23 mission shall establish a method for a broker to cal-
24 culate the percentage of retail investors of the
25 broker who experienced aggregate options trading
26 losses for purposes of paragraph (2).”.