

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To modify the applicability and rule of construction sections.

**IN THE SENATE OF THE UNITED STATES—112th Cong., 1st Sess.**

**S. 1871**

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by \_\_\_\_\_

Viz:

1 On page 3, strike lines 6 through 20 and insert the  
2 following:

3 **“SEC. 604. APPLICABILITY TO SECURITIES LAWS.**

4 “(a) IN GENERAL.—

5 “(1) NOT EXEMPT.—Members of Congress and  
6 employees of Congress are not exempt from the pro-  
7 hibitions arising under section 10(b) of the Securi-  
8 ties Exchange Act of 1934 and Rule 10b–5 there-  
9 under, including the insider trading prohibitions.

10 “(2) DUTY OF TRUST AND CONFIDENCE.—For  
11 the purposes of the insider trading prohibitions aris-  
12 ing under section 10(b) of the Securities Exchange  
13 Act of 1934 and rule 10b–5 thereunder, the prohibi-

1       tion set forth in section 602, and any rules or regu-  
2       lations issued under section 603 to carry out the  
3       purposes of section 602, affirm a duty of trust and  
4       confidence of each Member of Congress and of each  
5       employee of Congress to Congress, the United States  
6       Government, and the citizens of the United States.

7       “(b) RULEMAKING AUTHORITY.—The Securities and  
8       Exchange Commission may issue such rules or regulations  
9       as the Commission determines are necessary or appro-  
10      priate to implement subsection (a) or to otherwise ensure  
11      that Members of Congress and employees of Congress are  
12      subject to the insider trading prohibitions that apply gen-  
13      erally.”.

14      On page 4, strike lines 3 through 9 and insert the  
15      following:

16      **“SEC. 606. RULE OF CONSTRUCTION.**

17      “Nothing in this title shall be construed to be in dero-  
18      gation of existing obligations, duties and functions of a  
19      Member of Congress or an employee of Congress or to  
20      limit or otherwise alter the securities laws, the authority  
21      of the Securities and Exchange Commission under such  
22      laws, or other laws of the United States.”.