

118TH CONGRESS
1ST SESSION

H. R. 6141

To amend title 5, United States Code, to prohibit sale or purchase of covered financial instruments by Members of Congress and their spouses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 1, 2023

Mr. FALLON introduced the following bill; which was referred to the Committee on House Administration

A BILL

To amend title 5, United States Code, to prohibit sale or purchase of covered financial instruments by Members of Congress and their spouses, 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 “Insider Trading Pre-
5 vention Act”.

1 **SEC. 2. PROHIBITION ON OWNERSHIP OF FINANCIAL IN-**
2 **STRUMENTS.**

3 (a) IN GENERAL.—Chapter 131 of title 5, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 “SUBCHAPTER IV—PROHIBITION ON
7 OWNERSHIP OF FINANCIAL INSTRUMENTS

8 “§ 13151. Definitions

9 “In this subchapter:

10 “(1) COVERED FINANCIAL INSTRUMENT.—

11 “(A) IN GENERAL.—The term ‘covered fi-
12 nancial instrument’ means a security (as de-
13 fined in section 3(a) of the Securities Exchange
14 Act of 1934 (15 U.S.C. 78c(a))).

15 “(B) EXCLUSIONS.—The term ‘covered fi-
16 nancial instrument’ does not include—

17 “(i) a United States Treasury bill,
18 note, or bond;

19 “(ii) an exchange-traded fund;

20 “(iii) a mutual fund; or

21 “(iv) any investment fund held in a
22 Federal, State, or local government em-
23 ployee retirement plan.

24 “(2) COVERED INDIVIDUAL.—The term ‘cov-
25 ered individual’ means any of the following:

26 “(A) A Member of Congress.

1 “(B) The spouse of a Member of Congress.

2 “(3) MEMBER OF CONGRESS.—The term ‘Mem-
3 ber of Congress’ has the meaning given that term in
4 section 13101.

5 “(4) SUPERVISING ETHICS OFFICE.—The term
6 ‘supervising ethics office’ has the meaning given that
7 term in section 13101.

8 **“§ 13152. Limitation on owning or trading covered fi-
9 nancial instruments**

10 “(a) REQUIREMENT.—Except as provided in sub-
11 section (b), no covered individual may—

12 “(1) buy a covered financial instrument on or
13 after the date of enactment of the Insider Trading
14 Prevention Act or the date on which such individual
15 becomes a covered individual, whichever is later; or

16 “(2) sell a covered financial instrument de-
17 scribed in paragraph (1).

18 “(b) ASSETS ACQUIRED THROUGH SPECIAL CIR-
19 CUMSTANCES.—Beginning one year after the date on
20 which a spouse of a Member of Congress is employed in
21 the primary occupation of such spouse, such spouse may
22 receive a covered financial instrument as compensation
23 from such primary occupation during the period of em-
24 ployment at such occupation.

25 “(c) PROOF OF COMPLIANCE.—

1 “(1) SUBMISSION.—A covered individual shall
2 submit to the supervising ethics office a pledge of
3 compliance with the requirements of this subchapter,
4 and shall produce, upon request of the supervising
5 ethics office, material or information determined by
6 the supervising ethics committee to be necessary to
7 indicate compliance with the provisions of this sub-
8 chapter.

9 “(2) CERTIFICATE.—The supervising ethics of-
10 fice shall provide each covered individual in compli-
11 ance with the provisions of this subchapter with a
12 certificate of compliance.

13 “(3) ANNUAL PUBLICATION.—The supervising
14 ethics office shall make available annually, on a pub-
15 licly accessible website, all certificates issued under
16 this subsection.

17 **“§ 13153. Fine for noncompliance**

18 “An individual subject to the requirements of this
19 subchapter who is in violation of this subchapter as deter-
20 mined by the supervising ethics office shall pay a fine
21 equal to the higher of the following amounts:

22 “(1) \$25,000 per violation.

23 “(2) The value of the covered financial instru-
24 ment sold or purchased by the individual.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for such chapter is amended by inserting after the item
3 relating to section 13146 the following:

“SUBCHAPTER IV—PROHIBITION ON OWNERSHIP OF FINANCIAL INSTRUMENTS

“13151. Definitions.

“13152. Limitation on owning or trading covered financial instruments.

“13153. Fine for noncompliance.”.

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