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CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 77ccc, 77hhh, 77www, 77zzz, 78bbb, 78eee, 79p, 79t, 79u, 80a-2, 80a-8, 80a-9, 80a-12, 80a-17, 80a-34, 80a-37, 80a-49, 80a-56, 80b-2, 80b-3, 80b-4a, 80b-8, 631b, 1691c, 1693o of this title; title 7 sections 6, 6m, 12a; title 11 section 741; title 12 sections 1465, 1831o, 2279aa-12, 3422, 4402; title 25 section 646; title 26 sections 162, 277; title 29 section 432; title 31 section 5312; title 43 sections 1625, 1629b; title 45 section 1342; title 49 section 11301.

§ 78a. Short title

This chapter may be cited as the "Securities Exchange Act of 1934."

(June 6, 1934, ch. 404, title I, § 1, 48 Stat. 881.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original "This Act". The act was divided into two titles as follows: "Title I—Regulation of Securities Exchanges" and "Title II—Amendments to Securities Act of 1933." This section was section 1 of title I, which title is set out as sections 78a to 78d, 78e to 78l, 78m to 78o, and 78o-3 to 78hh of this title. Title II of the act amended or repealed sections 77b to 77e, 77j, 77k, 77m, 77o, and 77s, and added former sections 78ii and 78jj of this title. Although these latter provisions were set out as a separate title, they were part of the act; hence, they are technically a part of the "Securities Exchange Act of 1934".

SHORT TITLE OF 1994 AMENDMENTS

Pub. L. 103-389, § 1, Oct. 22, 1994, 108 Stat. 4081, provided that: "This Act [amending section 78l of this

title] may be cited as the ‘Unlisted Trading Privileges Act of 1994.’”

Pub. L. 103-325, title II, §201, Sept. 23, 1994, 108 Stat. 2198, provided that: “This subtitle [subtitle A (§§201-210) of title II of Pub. L. 103-325 enacting section 1835 of Title 12, Banks and Banking, amending sections 77r-1, 78c, 78g, 78h, and 78k of this title and sections 24, 1464, and 1757 of Title 12, and enacting provisions set out as notes under section 78b of this title and section 3305 of Title 12] may be cited as the ‘Small Business Loan Securitization and Secondary Market Enhancement Act of 1994.’”

SHORT TITLE OF 1993 AMENDMENT

Pub. L. 103-202, §1(a), Dec. 17, 1993, 107 Stat. 2344, provided that: “This Act [enacting section 3130 of Title 31, Money and Finance, amending sections 78c, 78f, 78n, 78o, 78o-3, 78o-5, 78s, and 78w of this title, and enacting provisions set out as notes under this section, sections 78f, 78n, and 78o-5 of this title, and section 3121 of Title 31] may be cited as the ‘Government Securities Act Amendments of 1993.’”

Pub. L. 103-202, title III, §301, Dec. 17, 1993, 107 Stat. 2359, provided that: “This title [amending sections 78f, 78n, and 78o-3 of this title and enacting provisions set out as notes under sections 78f and 78n of this title] may be cited as the ‘Limited Partnership Rollup Reform Act of 1993.’”

SHORT TITLE OF 1990 AMENDMENTS

Pub. L. 101-550, §1, Nov. 15, 1990, 104 Stat. 2713, provided that: “This Act [amending sections 77ccc to 77eee, 77iii to 77rrr, 77uuu, 77vvv, 78c, 78d, 78n, 78o, 78o-4, 78o-5, 78q-1, 78x, 78kk, 79z-5, 80a-2, 80a-9, 80a-44, 80a-45, 80b-2, 80b-3, 80b-10, and 80b-18 of this title and enacting provisions set out as notes under this section and sections 77aaa and 78n of this title] may be cited as the ‘Securities Acts Amendments of 1990.’”

Pub. L. 101-550, title I, §101, Nov. 15, 1990, 104 Stat. 2713, provided that: “This title [amending sections 77uuu, 78d, 78kk, 79z-5, 80a-45, and 80b-18 of this title] may be cited as the ‘Securities and Exchange Commission Authorization Act of 1990.’”

Pub. L. 101-550, title II, §201, Nov. 15, 1990, 104 Stat. 2714, provided that: “This title [amending sections 78c, 78d, 78o, 78o-4, 78o-5, 78q-1, 78x, 80a-2, 80a-9, 80a-44, 80b-2, 80b-3, and 80b-10 of this title] may be cited as the ‘International Securities Enforcement Cooperation Act of 1990.’”

Pub. L. 101-550, title III, §301, Nov. 15, 1990, 104 Stat. 2721, provided that: “This title [amending section 78n of this title and enacting provisions set out as a note under section 78n of this title] may be cited as the ‘Shareholder Communications Improvement Act of 1990.’”

Pub. L. 101-432, §1, Oct. 16, 1990, 104 Stat. 963, provided that: “This Act [enacting section 1831l of Title 12, Banks and Banking, amending sections 78i, 78l, 78m, 78o-5, 78q, 78q-1, and 78y of this title, and enacting provisions set out as notes under sections 78b and 78q-1 of this title] may be cited as the ‘Market Reform Act of 1990.’”

Pub. L. 101-429, §1(a), Oct. 15, 1990, 104 Stat. 931, provided that: “This Act [enacting sections 77h-1, 78q-2, 78u-2, and 78u-3 of this title, amending sections 77g, 77t, 78c, 78o, 78o-3, 78o-4, 78q-1, 78u, 78u-1, 78w, 78cc, 80a-9, 80a-41, 80b-3, 80b-9, and 80b-14 of this title, and enacting provisions set out as notes under this section and sections 77g, 78o, and 78s of this title] may be cited as the ‘Securities Enforcement Remedies and Penny Stock Reform Act of 1990.’”

Pub. L. 101-429, title V, §501, Oct. 15, 1990, 104 Stat. 951, provided that: “This title [enacting section 78q-2 of this title, amending sections 77g, 78c, 78o, 78o-3, and 78cc of this title, and enacting provisions set out as notes under sections 78o and 78s of this title] may be cited as the ‘Penny Stock Reform Act of 1990.’”

SHORT TITLE OF 1988 AMENDMENTS

Pub. L. 100-704, §1, Nov. 19, 1988, 102 Stat. 4677, provided that: “This Act [enacting sections 78t-1, 78u-1,

and 80b-4a of this title, amending sections 78c, 78o, 78u, 78ff, and 78kk of this title, and enacting provisions set out as notes under sections 78b, 78o, and 78u-1 of this title] may be cited as the ‘Insider Trading and Securities Fraud Enforcement Act of 1988.’”

Pub. L. 100-418, title V, §5001, Aug. 23, 1988, 102 Stat. 1415, provided that: “This part [part I (§§5001-5003) of subtitle A of title I of Pub. L. 100-418, amending sections 78m, 78dd-1, 78dd-2, and 78ff of this title and enacting provisions set out as a note under section 78dd-1 of this title] may be cited as the ‘Foreign Corrupt Practices Act Amendments of 1988.’”

SHORT TITLE OF 1987 AMENDMENT

Pub. L. 100-181, §1, Dec. 4, 1987, 101 Stat. 1249, provided that: “This Act [enacting sections 78d-1, 78d-2, and 78ll of this title, amending sections 77b, 77c, 77f, 77i, 77s, 77t, 77v, 77ccc, 78c, 78d, 78f, 78k-1, 78l, 78m, 78o, 78o-4, 78o-5, 78q, 78q-1, 78u, 78w, 78aa, 78bb, 78kk, 78lll, 79h, 79r, 79x, 79y, 79z-4, 80a-2, 80a-3, 80a-5, 80a-6, 80a-9, 80a-12, 80a-15, 80a-17, 80a-18, 80a-20, 80a-21, 80a-22, 80a-24, 80a-26, 80a-28, 80a-35, 80a-41, 80a-52, 80a-53, 80a-54, 80a-56, 80b-2, 80b-3, 80b-5, 80b-9, 80b-11, 80b-13, and 80b-14 of this title, and repealing sections 78d-1, 78d-2, and 78jj of this title] may be cited as the ‘Securities and Exchange Commission Authorization Act of 1987.’”

SHORT TITLE OF 1986 AMENDMENT

Pub. L. 99-571, §1(a), Oct. 28, 1986, 100 Stat. 3208, provided that: “This Act [enacting section 78o-5 of this title and section 9110 of Title 31, Money and Finance, amending sections 78c, 78o, 78o-3, 78q, 78w, 78y, 80a-9, and 80b-3 of this title and section 3121 of Title 31, and enacting provisions set out as notes under section 78o-5 of this title] may be cited as the ‘Government Securities Act of 1986.’”

SHORT TITLE OF 1985 AMENDMENT

Pub. L. 99-222, §1, Dec. 28, 1985, 99 Stat. 1737, provided that: “This Act [amending section 78n of this title and enacting a provision set out as a note under section 78n of this title] may be cited as the ‘Shareholder Communications Act of 1985.’”

SHORT TITLE OF 1984 AMENDMENT

Pub. L. 98-376, §1, Aug. 10, 1984, 98 Stat. 1264, provided that: “This Act [amending sections 78c, 78o, 78t, 78u, and 78ff of this title and enacting provisions set out as a note under section 78c of this title] may be cited as the ‘Insider Trading Sanctions Act of 1984.’”

SHORT TITLE OF 1977 AMENDMENT

Pub. L. 95-213, title I, §101, Dec. 19, 1977, 91 Stat. 1494, provided that: “This title [enacting sections 78dd-1 and 78dd-2 of this title and amending sections 78m and 78ff of this title] may be cited as the ‘Foreign Corrupt Practices Act of 1977.’”

Pub. L. 95-213, title II, §201, Dec. 19, 1977, 91 Stat. 1498, provided that: “This title [amending sections 78m and 78o of this title] may be cited as the ‘Domestic and Foreign Investment Improved Disclosure Act of 1977.’”

SHORT TITLE OF 1975 AMENDMENT

Section 1 of Pub. L. 94-29, June 4, 1975, 89 Stat. 97, provided: “That this Act [enacting sections 78k-1, 78o-4, 78q-1, and 78kk of this title, amending sections 77d, 77x, 77yyy, 78b, 78c, 78d-1, 78f, 78h, 78k, 78l, 78m, 78o, 78o-3, 78q, 78s, 78u, 78w, 78x, 78y, 78bb, 78ee, 78ff, 78iii, 79z-3, 80a-9, 80a-10, 80a-13, 80a-15, 80a-16, 80a-18, 80a-31, 80a-35, 80a-48, 80b-3, 80b-4, and 80b-17 of this title, and enacting provisions set out as notes under sections 78b and 78f of this title] may be cited as the ‘Securities Acts Amendments of 1975.’”

SHORT TITLE OF 1964 AMENDMENT

Section 1 of Pub. L. 88-467, Aug. 20, 1964, 78 Stat. 565, provided: “That this Act [amending sections 77d, 78c, 78l to 78o, 78o-3, 78p, 78t, 78w, and 78ff of this title and

enacting provisions set out as a note under section 78c of this title] may be cited as the 'Securities Acts Amendments of 1964.'

SHORT TITLE OF 1936 AMENDMENT

Act May 27, 1936, ch. 462, 49 Stat. 1375, enacting sections 78l-1, 78o-1, 78o-2, and 78hh-1 of this title, and amending sections 78l, 78o, 78q, 78r, 78t, 78u, 78w, and 78ff of this title, is popularly known as the Unlisted Securities Trading Act.

CROSS REFERENCES

Corporation of Foreign Bondholders Act, 1933, see section 77mm of this title.

Investment Advisers Act of 1940, see section 80b-20 of this title.

Investment Company Act of 1940, see section 80a-51 of this title.

Public Utility Holding Company Act of 1935, see section 79 of this title.

Securities Act of 1933, see section 77a of this title.

Securities Investor Protection Act of 1970, see section 78aaa et seq. of this title.

Trust Indenture Act of 1939, see section 77aaa of this title.

ACT REFERRED TO IN OTHER SECTIONS

The Foreign Corrupt Practices Act of 1977 [see Short Title of 1977 Amendment note above] is referred to in title 7 section 12a, title 22 section 2197.

§ 78b. Necessity for regulation

For the reasons hereinafter enumerated, transactions in securities as commonly conducted upon securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto, including transactions by officers, directors, and principal security holders, to require appropriate reports to remove impediments to and perfect the mechanisms of a national market system for securities and a national system for the clearance and settlement of securities transactions and the safeguarding of securities and funds related thereto, and to impose requirements necessary to make such regulation and control reasonably complete and effective, in order to protect interstate commerce, the national credit, the Federal taxing power, to protect and make more effective the national banking system and Federal Reserve System, and to insure the maintenance of fair and honest markets in such transactions:

(1) Such transactions (a) are carried on in large volume by the public generally and in large part originate outside the States in which the exchanges and over-the-counter markets are located and/or are effected by means of the mails and instrumentalities of interstate commerce; (b) constitute an important part of the current of interstate commerce; (c) involve in large part the securities of issuers engaged in interstate commerce; (d) involve the use of credit, directly affect the financing of trade, industry, and transportation in interstate commerce, and directly affect and influence the volume of interstate commerce; and affect the national credit.

(2) The prices established and offered in such transactions are generally disseminated and quoted throughout the United States and for-

eign countries and constitute a basis for determining and establishing the prices at which securities are bought and sold, the amount of certain taxes owing to the United States and to the several States by owners, buyers, and sellers of securities, and the value of collateral for bank loans.

(3) Frequently the prices of securities on such exchanges and markets are susceptible to manipulation and control, and the dissemination of such prices gives rise to excessive speculation, resulting in sudden and unreasonable fluctuations in the prices of securities which (a) cause alternately unreasonable expansion and unreasonable contraction of the volume of credit available for trade, transportation, and industry in interstate commerce, (b) hinder the proper appraisal of the value of securities and thus prevent a fair calculation of taxes owing to the United States and to the several States by owners, buyers, and sellers of securities, and (c) prevent the fair valuation of collateral for bank loans and/or obstruct the effective operation of the national banking system and Federal Reserve System.

(4) National emergencies, which produce widespread unemployment and the dislocation of trade, transportation, and industry, and which burden interstate commerce and adversely affect the general welfare, are precipitated, intensified, and prolonged by manipulation and sudden and unreasonable fluctuations of security prices and by excessive speculation on such exchanges and markets, and to meet such emergencies the Federal Government is put to such great expense as to burden the national credit.

(June 6, 1934, ch. 404, title I, § 2, 48 Stat. 881; June 4, 1975, Pub. L. 94-29, § 2, 89 Stat. 97.)

AMENDMENTS

1975—Pub. L. 94-29 inserted "to remove impediments to and perfect the mechanisms of a national market system for securities and a national system for the clearance and settlement of securities transactions and the safeguarding of securities and funds related thereto," after "require appropriate reports," in introductory provisions preceding par. (1).

EFFECTIVE DATE OF 1975 AMENDMENT

Section 31(a) of Pub. L. 94-29 provided that: "This Act [enacting sections 78k-1, 78o-4, 78q-1, and 78kk of this title, amending this section and sections 77d, 77x, 77yyy, 78c, 78d-1, 78f, 78h, 78k, 78l, 78m, 78o, 78o-3, 78q, 78s, 78u, 78w, 78x, 78y, 78bb, 78ee, 78ff, 78iii, 79z-3, 80a-9, 80a-10, 80a-13, 80a-15, 80a-16, 80a-18, 80a-31, 80a-35, 80a-48, 80b-3, 80b-4, and 80b-17 of this title, and enacting provisions set out as notes under sections 78a and 78f of this title] shall become effective on the date of its enactment [June 4, 1975] except as hereinafter provided. The amendments made by this Act to sections 3(a)(12), 6(a) through (d), 11A(b), 15(a), 15A, 15B(a), 17A(b), and (c), and 19(g) of the Securities Exchange Act of 1934 [sections 78c(a)(12), 78f(a) through (d), 78k-1(b), 78o(a), 78o-3, 78o-4(a), 78q-1(b) and (c), and 78s(g) of this title] shall become effective one hundred eighty days after the date of enactment of this Act [June 4, 1975], and the amendments made by this Act to section 31 of the Securities Exchange Act of 1934 [section 78ee of this title] shall become effective on January 1, 1976. Neither the provisions of section 3(a)(3), 6(b)(2), or 6(c)(1) of the Securities Exchange Act of 1934 (as amended by this Act) [section 78c(a)(3), 78f(b)(2), or 78f(c)(1) of this title] nor any rule or regulation thereunder shall apply so as to