

HR 3448

Small Cap Liquidity Reform Act of 2014

Congress: 113 (2013–2015, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Nov 12, 2013

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban A

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Feb 12, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/house-bill/3448>

Sponsor

Name: Rep. Duffy, Sean P. [R-WI-7]

Party: Republican • State: WI • Chamber: House

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Carney, John C., Jr. [D-DE-At Large]	D · DE		Nov 12, 2013
Rep. Fincher, Stephen Lee [R-TN-8]	R · TN		Nov 13, 2013

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Feb 12, 2014
Financial Services Committee	House	Hearings By (subcommittee)	Oct 23, 2013

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
113 HR 5405	Related bill	Sep 17, 2014: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Small Cap Liquidity Reform Act of 2014 - Amends the Securities Exchange Act of 1934 to establish a pilot liquidity program for equity securities of emerging growth companies (EGCs) with total annual gross revenues of less than \$750 million, under which those securities shall be quoted using either: (1) a minimum increment of \$0.05 or \$0.10, or (2) the increment at which the securities would be quoted without regard to such minimum increments.

Repeals the requirement for an SEC study examining the transition to trading and quoting securities in one penny increments, known as decimalization.

Directs the Securities and Exchange Commission (SEC) to determine, in the case of an EGC whose securities are quoted at a minimum increment of either \$0.05 or \$0.10, the increment at which such securities are traded.

Requires EGC securities quoted at a minimum increment of \$0.05 or \$0.10 to be traded at either such minimum increment or at one permitted by SEC regulations.

Permits an EGC to opt out or change such minimum increment upon notifying the SEC 90 days after enactment of this Act. Limits any EGC to a single change of minimum increment (thus prohibiting any increases in the minimum).

Requires the SEC, upon notification of an EGC election, to inform each trading venue where the EGC securities are quoted or traded.

Requires that securities of issuers that cease to be EGCs be quoted at the increment at which such securities would be quoted without regard to the minimum increments established under this Act.

Prescribes pricing and trading procedures governing securities trading below \$1.00.

Directs the SEC to require an EGC under this Act to submit additional reports and disclosures.

Shields an issuer from liability for losses caused solely by the quoting or trading of its securities at a minimum increment of \$0.05 or \$0.10, another SEC-authorized increment, or by both such quoting and trading.

Directs the SEC to report biannually to Congress on: (1) the quoting and trading of securities in increments permitted by this Act, and (2) the extent to which such quoting and trading increases liquidity and active trading by incentivizing capital commitment, research coverage, and brokerage support.

Authorizes the SEC to: (1) make adjustments to the pilot program to ensure that it can provide statistically meaningful or reliable results, and (2) conduct any other study or pilot program to evaluate quoting or trading in various minimum increments.

Sunsets the pilot program five years after enactment of this Act.

## Actions Timeline

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- **Feb 12, 2014:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Feb 11, 2014:** Mr. Garrett moved to suspend the rules and pass the bill, as amended.
- **Feb 11, 2014:** Considered under suspension of the rules. (consideration: CR H1746-1748)
- **Feb 11, 2014:** DEBATE - The House proceeded with forty minutes of debate on H.R. 3448.
- **Feb 11, 2014:** At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.
- **Feb 11, 2014:** Considered as unfinished business. (consideration: CR H1758)
- **Feb 11, 2014:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 412 - 4 (Roll no. 62).(text: CR H1746-1747)
- **Feb 11, 2014:** On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 412 - 4 (Roll no. 62). (text: CR H1746-1747)
- **Feb 5, 2014:** Reported (Amended) by the Committee on Financial Services. H. Rept. 113-342.
- **Feb 5, 2014:** Placed on the Union Calendar, Calendar No. 252.
- **Nov 14, 2013:** Committee Consideration and Mark-up Session Held.
- **Nov 14, 2013:** Ordered to be Reported (Amended) by the Yeas and Nays: 57 - 0.
- **Nov 12, 2013:** Introduced in House
- **Nov 12, 2013:** Referred to the House Committee on Financial Services.
- **Oct 23, 2013:** Hearings Held by the Subcommittee on Capital Markets and Government Sponsored Enterprises Prior to Introduction and Referral.