

out as a note under section 5301 of Title 12, Banks and Banking.

DEFINITION

For definition of “Commission” as used in this section, see section 5301 of Title 12, Banks and Banking.

§ 78d-9. Report on oversight of national securities associations

(a) Report required

Not later than 2 years after July 21, 2010, and every 3 years thereafter, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that includes an evaluation of the oversight by the Commission of national securities associations registered under section 78o-3 of this title with respect to—

- (1) the governance of such national securities associations, including the identification and management of conflicts of interest by such national securities associations, together with an analysis of the impact of any conflicts of interest on the regulatory enforcement or rulemaking by such national securities associations;
- (2) the examinations carried out by the national securities associations, including the expertise of the examiners;
- (3) the executive compensation practices of such national securities associations;
- (4) the arbitration services provided by the national securities associations;
- (5) the review performed by national securities associations of advertising by the members of the national securities associations;
- (6) the cooperation with and assistance to State securities administrators by the national securities associations to promote investor protection;
- (7) how the funding of national securities associations is used to support the mission of the national securities associations, including—
 - (A) the methods of funding;
 - (B) the sufficiency of funds;
 - (C) how funds are invested by the national securities association pending use; and
 - (D) the impact of the methods, sufficiency, and investment of funds on regulatory enforcement by the national securities associations;
- (8) the policies regarding the employment of former employees of national securities associations by regulated entities;
- (9) the ongoing effectiveness of the rules of the national securities associations in achieving the goals of the rules;
- (10) the transparency of governance and activities of the national securities associations; and
- (11) any other issue that has an impact, as determined by the Comptroller General, on the effectiveness of such national securities associations in performing their mission and in dealing fairly with investors and members;¹

¹ So in original. The semicolon probably should be a period.

(b) Reimbursements for cost of reports

(1) Reimbursements required

The Commission shall reimburse the Government Accountability Office for the full cost of making the reports under subsection (a), as billed therefor by the Comptroller General.

(2) Crediting and use of reimbursements

Such reimbursements shall—

- (A) be credited to the appropriation account “Salaries and Expenses, Government Accountability Office” current when the payment is received; and
- (B) remain available until expended.

(Pub. L. 111-203, title IX, §964, July 21, 2010, 124 Stat. 1910.)

CODIFICATION

Section was enacted as part of the Investor Protection and Securities Reform Act of 2010 and also as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and not as part of the Securities Exchange Act of 1934 which comprises this chapter.

EFFECTIVE DATE

Section effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as a note under section 5301 of Title 12, Banks and Banking.

DEFINITIONS

For definitions of terms used in this section, see section 5301 of Title 12, Banks and Banking.

§ 78e. Transactions on unregistered exchanges

It shall be unlawful for any broker, dealer, or exchange, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce for the purpose of using any facility of an exchange within or subject to the jurisdiction of the United States to effect any transaction in a security, or to report any such transaction, unless such exchange (1) is registered as national securities exchange under section 78f of this title, or (2) is exempted from such registration upon application by the exchange because, in the opinion of the Commission, by reason of the limited volume of transactions effected on such exchange, it is not practicable and not necessary or appropriate in the public interest or for the protection of investors to require such registration.

(June 6, 1934, ch. 404, title I, §5, 48 Stat. 885.)

TRANSFER OF FUNCTIONS

For transfer of functions of Securities and Exchange Commission, with certain exceptions, to Chairman of such Commission, see Reorg. Plan No. 10 of 1950, §§1, 2, eff. May 24, 1950, 15 F.R. 3175, 64 Stat. 1265, set out under section 78d of this title.

§ 78f. National securities exchanges

(a) Registration; application

An exchange may be registered as a national securities exchange under the terms and conditions hereinafter provided in this section and in accordance with the provisions of section 78s(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the exchange and such other infor-