To temporarily ban stock buybacks until the impact of COVID–19 on the American financial system has ended.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2020

Mr. CASTEN of Illinois introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To temporarily ban stock buybacks until the impact of COVID–19 on the American financial system has ended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY BAN ON STOCK BUYBACKS.

(a) In General.—It shall be unlawful for any issuer, the securities of which are traded on a national securities exchange, to purchase securities of the issuer during the period beginning on the date of enactment of this Act and ending 120 days after the end of the COVID–19 emergency period.
(b) EARLY TERMINATION.—The Securities and Exchange Commission may terminate the prohibition under subsection (a) after the end of the COVID–19 emergency period and before the end of the 120-day period described under subsection (a), if—

(1) the Commission determines such termination is in the public interest; and

(2) immediately notifies the Congress and the public of such determination and the reason for such determination, including on the website of the Commission.

(c) ENFORCEMENT; RULEMAKING.—

(1) IN GENERAL.—The Securities and Exchange Commission shall have the authority to enforce this Act and may issue such rules as may be necessary to carry out this Act.

(2) COMMISSION VOTING.—Any action taken by the Commission pursuant to this section may only be taken upon a unanimous vote of the commissioners.

(d) DEFINITIONS.—In this section:

(1) COVID–19 EMERGENCY PERIOD.—The term “COVID–19 emergency period” means the period that begins upon the date of the enactment of this Act and ends upon the date of the termination by the Federal Emergency Management Agency of
the emergency declared on March 13, 2020, by the
President under the Robert T. Stafford Disaster Re-
lief and Emergency Assistance Act (42 U.S.C. 4121
et seq.) relating to the Coronavirus Disease 2019
(COVID–19) pandemic.

(2) OTHER DEFINITIONS.—The terms “issuer”,
“national securities exchange”, and “security” have
the meaning given those terms, respectively, under