

117TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Securities Exchange Act of 1934 to permit different tick sizes for emerging growth companies, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. KENNEDY introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## **A BILL**

To amend the Securities Exchange Act of 1934 to permit different tick sizes for emerging growth companies, 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 “Intelligent Tick Study  
5 Act”.

6 **SEC. 2. TICK SIZES.**

7 Section 11A(c)(6) of the Securities Exchange Act of  
8 1934 (15 U.S.C. 78k–1(c)(6)) is amended to read as fol-  
9 lows:

1           “(6) TICK SIZE.—If the Commission determines that  
2 the securities of emerging growth companies should be  
3 quoted and traded using a minimum increment of greater  
4 than \$0.01, the Commission may, by rule, designate a  
5 minimum increment for the securities of emerging growth  
6 companies that is greater than \$0.01 but not more than  
7 \$0.25 for use in all quoting and trading of securities in  
8 any exchange or other venue.”.

9 **SEC. 3. REPORT.**

10           (a) DEFINITION OF SECURITY.—In this section, the  
11 term “security” has the meaning given the term in section  
12 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78e).

13           (b) REPORT.—Not later than 1 year after the date  
14 of enactment of this Act, the Securities and Exchange  
15 Commission shall conduct a study and submit to Congress  
16 a report that examines—

17                   (1) the transition to trading and quoting securi-  
18 ties in increments other than \$0.01, which includes  
19 increments higher and lower than \$0.01;

20                   (2) the impact that the change described in  
21 paragraph (1) has had on liquidity and market qual-  
22 ity for small, middle, and large capitalization com-  
23 pany securities; and

24                   (3) whether there is sufficient economic incen-  
25 tive to support trading operations in the securities

- 1 described in paragraph (2) in increments other than
- 2 \$0.01.