

Stock Trading in Congress: 117th Congress Proposals to Limit or Prohibit Certain Financial Transactions

February 17, 2022

On April 4, 2012, President Obama [signed the STOCK Act](#) (P.L. 112-105; Stop Trading on Congressional Knowledge Act of 2012). The STOCK Act, as amended, affirms that Members of Congress, congressional employees, and other federal officials are not exempt from “[insider trading](#)” laws and regulations and are required to file [periodic transaction reports](#) with their supervising ethics office within 30 days of a covered financial transaction. For the House of Representatives, the supervising ethics office is the [House Ethics Committee](#), and for the Senate it is the [Senate Select Committee on Ethics](#).

In the 117th Congress (2021-2022), there has been interest in further limiting or prohibiting Members of Congress and covered congressional employees from engaging in certain financial transactions. As of February 14, 2022, at least 12 bills or resolutions have been introduced to address this issue. These measures propose to amend the Ethics in Government Act ([5 U.S.C. Appendix §§101-112](#)), the STOCK Act, or [House Rules](#) to prohibit certain transactions, increase [financial disclosure](#) reporting requirements, and prescribe remedies and penalties for engaging in certain behaviors. **Figure 1** lists the 12 measures, the proposed affected party, the bill’s or resolution’s proposed actions, and the timeline for implementation, if enacted.

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Figure 1. Proposals to Limit or Prohibit Certain Financial Transactions, 117th Congress

Bill or Resolution	Affected Congressional Party	Proposal	Timeline
H.Res. 873 No Option for Stock Trading and Ownership as a Check to Keep Congress Clean Resolution	Members of Congress, Delegates, and Resident Commissioner	Amends House Rule XXIII to prohibit ownership of common stock	Not specified
H.R. 459 HUMBLE Act	Members of Congress, Delegates, and Resident Commissioner	Amends House Rule XXIII to prohibit ownership of common stock	Effective immediately before noon on January 3, 2023
H.R. 336 TRUST in Congress Act	Members of Congress, spouses, and dependent children	Placement of covered investments in a qualified blind trust	Within 90 days of enactment for current Members or within 90 days of taking office for new Members
H.R. 1579 Ban Conflicted Trading Act S. 564 Ban Conflicted Trading Act	Members of Congress and congressional employees who file Financial Disclosure reports under the Ethics in Government Act	Prohibits purchase or sale of covered investments	Not specified
H.R. 6490 Banning Insider Trading in Congress Act S. 3504 Banning Insider Trading in Congress Act	Members of Congress and spouses	Amend the Ethics in Government Act to prohibit holding, purchase, or sale of covered financial instruments	Within 180 days of enactment for current Members or within 180 days of taking office for new Members
H.R. 6694 STOCK Act 2.0 ^a S. 3612 STOCK Act 2.0	Members of Congress, senior congressional staff, spouses and dependents	Amend Ethics in Government Act to prohibit purchase or sale of covered financial instruments; and amend the STOCK Act to require public access to covered officials' financial disclosure and periodic transaction reports	Not specified
S. 3494 Ban Congressional Stock Trading Act	Members of Congress, spouses, and dependents	Amend the Ethics in Government Act to require the divestment or placement of covered investments in a qualified blind trust	Submit certification within 30 days of enactment for current Members or within 30 days of taking office for new Members Divest or place covered instruments in a qualified blind trust within 120 days of enactment or within 120 days of taking office for new Members
S. 3550 Ethics Reform Act	Members of Congress	Prohibit purchase or sale of individual securities	Not specified
S. 3631 Bipartisan Ban on Congressional Stock Ownership Act of 2022 ^b	Members of Congress and spouses	Prohibit ownership of specified assets and requires divestment of assets except for widely held investment fund	Depending on type of asset, divest within 180 days or 5 years of enactment for current Members or within 180 days or 5 years of taking office for new Members

Source: CRS summary of proposed legislation.

Notes: To compile this list, CRS searched Congress.gov using subject headers “Government Ethics” + “Members of Congress” + “Securities.” CRS supplemented this search by examining House dear colleague letters and Member press releases for similar legislation. It is possible that other measures that might address similar policy matters but use different wording were not captured by this search. Jennifer Manning, Senior Research Librarian, conducted the search on February 14, 2021.

- a. Text of H.R. 6694 is not yet available on Congress.gov. For a summary of the bill, see a [summary of the measure on the sponsor's webpage](#).
- b. Text of S. 3631 is not yet available on Congress.gov. For bill text, see [the link from the bill sponsor's webpage](#).

Proposals to Limit or Prohibit Certain Financial Transactions

This Insight broadly describes the 12 measures proposed to regulate financial activities of Members of Congress and covered congressional staff. Generally, the proposals would prohibit covered individuals from the holding, purchase, sale, and/or active management of certain types of financial assets; amend the Ethics in Government Act and/or the STOCK Act; require certain assets to be placed in blind trusts; and/or amend House Rule XXIII to prohibit certain financial activities.

Prohibit Holding, Purchasing, and Selling Certain Assets

Eight proposals would generally prohibit covered officials from the holding, purchase, sale, and/or active management of certain types of assets. Aspects of these measures (H.R. 1579, H.R. 6490, H.R. 6694, S. 564, S. 3504, S. 3612, S. 3631, and S. 3550) would prohibit the purchase or sale of specified financial instruments, require additional disclosures and potential divestment, and/or increase penalties for noncompliance. Currently, Congress does not prohibit the ownership of specified financial assets, but some executive branch agencies do. For example, the Nuclear Regulatory Commission has supplemental Standards of Ethical Conduct that include a list of prohibited securities ([5 C.F.R. §5801.102](#)).

Amend Ethics in Government Act and/or the STOCK Act

Five proposals (H.R. 6490, H.R. 6694, S. 3494, S. 3504, and S. 3612) would amend the Ethics in Government Act and/or the STOCK Act. Broadly, they propose to amend the Ethics in Government Act to prohibit certain transactions and the holding of covered financial instruments. In some cases, the proposals would authorize the use of [qualified blind trusts](#) to avoid or prevent potential conflicts of interest. Further, two proposals (H.R. 6490 and S. 3504) would provide the supervising ethics office with the power to impose civil fines and require the [Government Accountability Office](#) (GAO) to audit compliance with the law.

Require the Use of Blind Trusts

A number of the proposals would allow or require a Member of Congress (and their spouses and/or dependent children) to place any covered assets in a qualified blind trust. Under the Ethics in Government Act, a qualified blind trust “confer[s] on an independent trustee and any other designated fiduciary the sole responsibility to administer the trust and to manage trust assets without participation by, or the knowledge of, any interested party or any representative of an interested party” ([5 C.F.R. §2634.401\(a\)](#)). Pursuant to the Ethics in Government Act ([5 U.S.C. Appendix §102\(f\)\(3\)](#)), a qualified blind trust must meet certain requirements, including that the trustee must be an independent actor, no restrictions can be placed on asset disposal, communication must be limited between the trustee and interested parties, and the supervisory ethics office must approve the trust.

Amend House Rule XXIII

Two proposals (H.R. 459 and H.Res. 873) would amend [House Rule XXIII](#), the House Code of Conduct, to add a new section that would state

PROHIBITING MEMBERS OF HOUSE OF REPRESENTATIVES FROM OWNING INDIVIDUAL STOCKS.—A Member, Delegate, or Resident Commissioner may not own the common stock of any individual public corporation.

Amending House Rules to prohibit ownership of individual stocks might require the divestiture of certain assets by Members of the House. As an amendment to the Code of Conduct, jurisdiction over the implementation and enforcement of this proposed rule change would likely be under the jurisdiction of the House Ethics Committee. A similar proposal to amend [Senate Rules](#) has not been introduced.

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