

AMENDMENT TO THE RULES COMMITTEE PRINT

119–33

OFFERED BY MS. WATERS OF CALIFORNIA

In title XVII, add at the end the following:

1 **Subtitle C—No Deceptive Fees**

2 **SEC. 17___. SHORT TITLE.**

3 This subtitle may be cited as the “No Deceptive Fee
4 Act of 2026”.

5 **SEC. 17___. DECEPTIVE FEES PROHIBITED.**

6 (a) **IN GENERAL.**—In this subtitle, with respect to
7 a service or a transaction, the term “deceptive fee” means
8 any fee or charge imposed on an investor or consumer that
9 is—

10 (1) not clearly and conspicuously disclosed prior
11 to the investor or consumer entering into the agree-
12 ment for the service or transaction; or

13 (2) excessive and not reasonably related to the
14 actual cost of the service or transaction.

15 (b) **DEFINITIONS.**—

16 (1) “clearly and conspicuously disclosed” or
17 “undisclosed” means that any fee described in this
18 subtitle is provided to the customer in advance of
19 the fee being charged, according to the timeline pro-

1 vided in this subtitle, in large and clear font, and to
2 include both a description of the fee, the percentage
3 charged, and the dollar amount this percentage re-
4 flects per \$1,000 charged.

5 (2) “excessive” means any fee described in this
6 subtitle that is fair and reasonable in light of the
7 cost of services provided, the prevailing market
8 price, the size of the offering, or industry norms.
9 One indication that a fee is “excessive” is if it mate-
10 rially exceeds the amount that would be obtained
11 through arms-length negotiation. A fee greater than
12 5% of the cost of providing the service is presump-
13 tively excessive.

14 (c) IDENTIFICATION OF SPECIFIC DECEPTIVE
15 FEES.—The Securities and Exchange Commission may
16 issue a rule to identify specific fees or charges that are
17 a deceptive fee under paragraph (1), which may include—

- 18 (1) a sales load fee;
19 (2) a variable performance-based fee;
20 (3) a fee related to the paper or electronic deliv-
21 ery of regulatory documents;
22 (4) undisclosed trading commissions;
23 (5) excessive or undisclosed markups or
24 markdowns;

1 (6) excessive or undisclosed processing, han-
2 dling, service, ticket, or platform fees;

3 (7) excessive or undisclosed marked-up regu-
4 latory, registered national securities exchange,
5 “SEC”, FINRA, or clearing fees;

6 (8) excessive or undisclosed front-end, back-end,
7 or level sales loads and contingent deferred sales
8 charges where lower-cost or no-load alternatives are
9 available;

10 (9) wrap fees marketed as “all-in” that exclude
11 significant trading, product, or platform costs or are
12 charged on largely inactive accounts (commonly re-
13 ferred to as “reverse churning”);

14 (10) excessive or undisclosed account mainte-
15 nance, custodial, or inactivity fees that are not tied
16 to bona fide services;

17 (11) excessive or undisclosed individual retire-
18 ment account (“IRA”) or brokerage account termi-
19 nation, closure, or transfer fees that impede switch-
20 ing;

21 (12) excessive or undisclosed paper statement,
22 confirmation, or tax document fees;

23 (13) excessive or undisclosed wire, transfer,
24 overnight delivery, or check fees;

1 (14) charging advisory or wrap fees on idle
2 cash;

3 (15) excessive or undisclosed margin interest
4 charges and securities borrowing fees;

5 (16) payment for order flow, internalization ar-
6 rangements, maker-taker or similar pricing prac-
7 tices, and routing incentives that hide costs or infe-
8 rior execution quality for customers;

9 (17) excessive or undisclosed foreign exchange
10 conversions;

11 (18) undisclosed revenue-sharing arrangements
12 with product sponsors, custodians, or trading
13 venues;

14 (19) undisclosed receipt of 12b-1 fees, trails, or
15 other distribution-related compensation by reg-
16 istrants or their affiliates;

17 (20) undisclosed principal trades or cross trades
18 with embedded markups or markdowns;

19 (21) subscription, retainer, financial planning,
20 or monitoring fees charged where little or no ongo-
21 ing service is actually provided;

22 (22) technology, data, portal, platform, or re-
23 porting fees that double-charge investors for core
24 services already covered by other compensation;

1 (23) excessive or undisclosed “paperwork,”
2 “document handling,” “compliance,” or “adminis-
3 trative” fees, especially where not tied to incre-
4 mental, client-specific services;

5 (24) excessive or undisclosed inactivity or min-
6 imum-balance penalties;

7 (25) excessive or undisclosed private fund moni-
8 toring, consulting, transaction, director, or similar
9 portfolio company fees;

10 (26) excessive or undisclosed misallocated bro-
11 ken-deal, organizational, or operating expenses
12 charged to clients or funds;

13 (27) fees pursuant to complex, opaque, or dis-
14 criminatory exchange, alternative trading system,
15 and other trading venue fee schedules (including ex-
16 cessive access, connectivity, co-location, port, and
17 market data fees, and opaque tiered or rebate struc-
18 tures) that obscure the true all-in cost of trading or
19 unfairly advantage certain participants;

20 (28) undisclosed zero commission or free trad-
21 ing offerings that rely on undisclosed spreads, infe-
22 rior execution, or hidden monetization of order flow
23 or customer data;

24 (29) undisclosed network or gas fees or similar
25 charges where the firm retains undisclosed spreads;

1 (30) excessive or undisclosed early redemption,
2 surrender, or contract change charges in pooled or
3 packaged products; and

4 (31) any other excessive or undisclosed fee,
5 charge, spread, or rebate that—

6 (A) impedes investors from moving or clos-
7 ing accounts or switching products through ex-
8 cessive financial penalties; or

9 (B) is structured or labeled in a manner
10 reasonably likely to mislead, obscure the total
11 economic cost, or exploit information
12 asymmetries or conflicts of interest.

13 **PART I—INVESTMENT COMPANIES**

14 **SEC. 17____. ADVANCED FEE DISCLOSURE REQUIREMENTS**
15 **FOR INVESTMENT COMPANIES.**

16 Section 30 of the Investment Company Act of 1940
17 (15 U.S.C. 80a–29) is amended by adding at the end the
18 following:

19 “(1) FEE DISCLOSURE REQUIREMENTS FOR INVEST-
20 MENT COMPANIES.—

21 “(1) IN GENERAL.—Not later than 1 year after
22 the date of enactment of this subsection, the Com-
23 mission shall issue rules to enhance fee notice and
24 transparency for registered investment companies.

1 “(2) REQUIREMENTS.—The rules issued under
2 paragraph (1) shall, at a minimum, require each
3 registered investment company to—

4 “(A) provide to each prospective investor,
5 as soon as practicable before the purchase of
6 any security issued by the registered investment
7 company, a clear and concise disclosure of all
8 fees and expenses that the investor will incur,
9 including management fees, advisory fees, dis-
10 tribution or marketing fees, redemption fees,
11 and any other charges;

12 “(B) disclose in any prospectus, offering
13 document (as defined in Section 18(b) of the
14 Securities Act), or periodic report to stock-
15 holders under Section 30(e) of the Investment
16 Company Act, the total annual fees and ex-
17 penses of the registered investment company,
18 expressed as a percentage of assets and as a
19 dollar amount for a standard investment
20 amount, such as \$10,000, including an
21 itemization of each component fee (such as
22 management fees, 12b-1 or other distribution
23 fees, and administrative costs);

24 “(C) clearly disclose any one-time or trans-
25 actional fees, including sales loads, purchase

1 fees, or redemption fees, that may be charged
2 to investors, with an explanation of the purpose
3 of each such fee; and

4 “(D) present the disclosures required
5 under this section in a prominent location and
6 in plain language and format, as prescribed by
7 the Commission, so that investors can easily un-
8 derstand and compare fee information.”.

9 **SEC. 17__ . PROHIBITION ON CERTAIN FEES BY INVEST-**
10 **MENT FUNDS.**

11 Section 12 of the Investment Company Act of 1940
12 (15 U.S.C. 80a–12) is amended by adding at the end the
13 following:

14 “(h) PROHIBITION ON CERTAIN FEES BY INVEST-
15 MENT FUNDS.—

16 “(1) IN GENERAL.—A registered investment
17 company may not charge or collect any deceptive fee
18 from an investor.

19 “(2) DECEPTIVE FEE DEFINED.—In this sub-
20 section, the term ‘deceptive fee’ has the meaning
21 given that term in section 2 of the ‘No Deceptive
22 Fee Act of 2026’, as the Commission may further
23 define, by rule.”.

1 **PART II—BROKERS AND DEALERS**
2 **SEC. 17___ . FEE AND COMMISSION DISCLOSURE REQUIRE-**
3 **MENTS FOR BROKERS AND DEALERS.**

4 Section 15 of the Securities Exchange Act of 1934
5 (15 U.S.C. 78o) is amended by adding at the end the fol-
6 lowing:

7 “(p) FEE AND COMMISSION DISCLOSURE REQUIRE-
8 MENTS FOR BROKERS AND DEALERS.—

9 “(1) IN GENERAL.—Not later than 1 year after
10 the date of enactment of this subsection, the Com-
11 mission shall issue additional rules, as necessary, to
12 require clear disclosure of all fees and commissions
13 imposed, directly or indirectly, by brokers and deal-
14 ers on retail investors.

15 “(2) REQUIREMENTS.—The rules issued under
16 paragraph (1) shall require each broker and dealer
17 to—

18 “(A) furnish to each new retail investor, at
19 the time of account opening or as soon as prac-
20 ticable, a complete schedule of all fees and com-
21 missions that may be imposed on the investor’s
22 account or transactions, including trading com-
23 missions, mark-ups or mark-downs on trades,
24 account maintenance or inactivity fees, wire
25 transfer or withdrawal fees, and account closing
26 or transfer fees;

1 “(B) prominently disclose on each trade
2 confirmation the amount of any commission,
3 fee, or other compensation charged on the
4 transaction, including any payment the broker
5 or dealer receives from third parties in connec-
6 tion with the transaction (such as payment for
7 order flow or other remuneration), expressed in
8 dollar terms or, if not known at the time of
9 transaction, a reasonable estimate thereof;

10 “(C) provide each retail investor at least
11 annually an itemized summary of all fees and
12 charges paid by that investor over the reporting
13 period, including total commissions, fees, and
14 any other charges deducted from the investor’s
15 accounts; and

16 “(D) maintain a publicly accessible sched-
17 ule of standard fees and commissions on the
18 broker or dealer’s website, and update investors
19 in writing of any increases in fees or commis-
20 sions, or introduction of new fees or commis-
21 sions, at least 30 days before such changes take
22 effect.”.

1 **SEC. 17____. PROHIBITION ON CERTAIN FEES BY BROKERS**
2 **AND DEALERS.**

3 Section 15 of the Securities Exchange Act of 1934
4 (15 U.S.C. 78o), as amended by section 201, is further
5 amended by adding at the end the following:

6 “(q) PROHIBITION ON CERTAIN FEES BY BROKERS
7 AND DEALERS.—

8 “(1) IN GENERAL.—A broker or dealer may
9 not, directly or indirectly, impose any of the fol-
10 lowing fees on a retail investor:

11 “(A) Any account maintenance, closure, or
12 inactivity fee that is not reasonably related to
13 the actual cost of maintaining or closing the in-
14 vestor’s account.

15 “(B) Any surcharge, markup, or add-on
16 fee applied at the time of a transaction’s execu-
17 tion or settlement that was not clearly disclosed
18 to the investor before the transaction.

19 “(C) Any so-called ‘processing’ or ‘paper-
20 work’ fee charged to an investor that exceeds
21 the actual administrative cost of the service
22 provided.

23 “(D) Any undisclosed or misleading trad-
24 ing commissions.

1 “(E) Excessive fees that are disproportion-
2 tionate to the cost or value of the services pro-
3 vided.

4 “(F) Any deceptive fee (as defined in sec-
5 tion 2 of the ‘No Deceptive Fee Act of 2026’)
6 as the Commission determines appropriate or
7 necessary to protect investors.”.

8 **PART III—INVESTMENT ADVISERS**

9 **SEC. 17 ____ . FEE DISCLOSURE REQUIREMENTS FOR INVEST-**
10 **MENT ADVISERS.**

11 Section 204 of the Investment Advisers Act of 1940
12 (15 U.S.C. 80b–4) is amended by adding at the end the
13 following:

14 “(g) **FEE DISCLOSURE REQUIREMENTS FOR INVEST-**
15 **MENT ADVISERS.—**

16 “(1) **IN GENERAL.—**Not later than 1 year after
17 the date of enactment of this subsection, the Com-
18 mission shall issue rules to require investment advis-
19 ers to provide full and clear disclosure of all fees and
20 compensation to their clients.

21 “(2) **REQUIREMENTS.—**The rules issued under
22 subsection (a) shall supplement existing rules gov-
23 erning Form ADV to require an investment adviser
24 to—

1 “(A) any account maintenance, closure, or
2 inactivity fee that is not reasonably related to
3 the actual cost of maintaining or closing the in-
4 vestor’s account;

5 “(B) any surcharge, markup, or add-on fee
6 applied at the time of a transaction’s execution
7 or settlement that was not clearly disclosed to
8 the investor before the transaction;

9 “(C) any so-called ‘processing’ or ‘paper-
10 work’ fee charged to an investor that exceeds
11 the actual administrative cost of the service
12 provided;

13 “(D) any undisclosed or misleading com-
14 missions;

15 “(E) fees for services or features that are
16 not actually provided or utilized by a client; and

17 “(F) fees that are grossly disproportionate
18 to the cost or value of the services provided.

19 “(2) INCLUSION OF CERTAIN RELATED PRAC-
20 TICES BY INVESTMENT ADVISERS.—The Commission
21 may also prohibit an investment adviser from, di-
22 rectly or indirectly, engaging in the following prac-
23 tices, if the Commission determines such prohibition
24 to be appropriate or necessary to protect investors:

1 “(A) Providing investors with higher-cost
2 mutual fund or exchange-traded fund share
3 classes when identical or substantially similar
4 lower-cost share classes are reasonably avail-
5 able.

6 “(B) Engaging in any revenue-sharing ar-
7 rangements with product sponsors, custodians,
8 or trading venues that are not clearly disclosed
9 to investors.

10 “(C) Characterizing a product or service as
11 a zero commission or free trading product or
12 service, when such product or service relies on
13 undisclosed spreads, inferior execution, or hid-
14 den monetization of order flow or customer
15 data.”.

16 **PART IV—TRANSPARENCY ON FEES COLLECTED**
17 **FROM INDIVIDUAL INVESTORS**

18 **SEC. 17 ____. REPORTS BY REGISTERED INVESTMENT COM-**
19 **PANIES.**

20 Section 30 of the Investment Company Act of 1940
21 (15 U.S.C. 80a–29), as amended by section 101, is further
22 amended by adding at the end the following:

23 “(m) REPORT ON FEES COLLECTED FROM INDI-
24 VIDUAL INVESTORS.—

1 “(1) IN GENERAL.—Not later than 1 year after
2 the date of enactment of this subsection,, each reg-
3 istered investment company shall annually file with
4 the Commission a report that includes, with respect
5 to the year preceding such report—

6 “(A) the total amount of fees the reg-
7 istered investment company collected from in-
8 vestors;

9 “(B) the total amount of fees described in
10 subparagraph (A) divided by assets under man-
11 agement (‘AUM’); and

12 “(C) the table described in paragraph (2).

13 “(2) FEE DISAGGREGATION.—A registered in-
14 vestment company shall, with respect to each total
15 amount reported under paragraph (1)(A), include in
16 each report under such paragraph a table that
17 disaggregates the amount into the following cat-
18 egories:

19 “(A) The amount of management fees col-
20 lected.

21 “(B) The amount of frequent trading fees
22 collected.

23 “(C) The amount of sales load fees col-
24 lected.

1 “(D) The amount of transfer agent fees
2 collected.

3 “(E) The amount of exchange fees col-
4 lected.

5 “(F) The amount of distribution/service
6 fees collected.

7 “(G) The amount of account opening fees
8 collected.

9 “(H) The amount of retirement account
10 rollover fees collected.

11 “(I) The amount of redemption fees col-
12 lected.

13 “(J) The amount of maximum account
14 fees collected.

15 “(K) The amount of fees collected other
16 than fees described in subparagraphs (A)
17 through (J).

18 “(3) PUBLICATION OF DATA.—

19 “(A) ONLINE DATABASE.—The Commis-
20 sion shall publish the data received under para-
21 graph (1) on an online database (which shall be
22 similar to BrokerCheck) where individual inves-
23 tors can search by registered investment com-
24 pany name.

1 “(B) VISUAL METER COMPARING REG-
2 REGISTERED INVESTMENT COMPANY FEES.—The
3 online database required under subparagraph
4 (A) shall include, with respect to each reg-
5 istered investment company, a visual meter
6 that—

7 “(i) indicates whether the registered
8 investment company’s fees are, when com-
9 pared to other, similar registered invest-
10 ment companies that filed a report under
11 paragraph (1) for the most recent report-
12 ing year—

13 “(I) in the highest quartile,
14 which shall be indicated with a back-
15 ground of red and the word ‘high’;

16 “(II) in the 25 percent to 50 per-
17 cent or 50 percent to 75 percent quar-
18 tile, which shall be indicated with a
19 background of white and the word ‘av-
20 erage’; or

21 “(III) in lowest quartile, which
22 shall be indicated with a background
23 of green and the word ‘low’; and

24 “(ii) includes—

1 “(I) a line running perpendicular
2 to the meter that corresponds to the
3 quartile under clause (i) applicable to
4 the registered investment company’s
5 fees; and

6 “(II) the amount of such fees
7 shown clearly next to such line.

8 “(iii) the Commission shall establish
9 criteria for determining what are similar
10 registered investment companies. Such cri-
11 teria may include the amount of assets
12 under management, type of fund structure,
13 and risk profile.

14 “(C) LANDING PAGES OF REGISTERED IN-
15 VESTMENT COMPANY.—Each registered invest-
16 ment company’s landing page (which may con-
17 tain the regulatory or disciplinary history of the
18 registered investment company, and such other
19 information as the Commission determines use-
20 ful for investors and account holders) shall in-
21 clude the data required under paragraph (1).

22 “(4) REPORT TO INDIVIDUAL INVESTORS.—
23 Each registered investment company shall provide
24 an annual individualized fee report to the investors
25 of the registered investment company. Each report

1 shall allow each investor to compare the fees charged
2 to investors to those charged by other registered in-
3 vestment companies and include a 10-year fee pro-
4 jection, assuming no changes in the products, serv-
5 ices, or fee tiers offered. The report shall include—

6 “(A) the information provided to the Com-
7 mission under paragraph (1); and

8 “(B) the information published by the
9 Commission under paragraph (3)(B) relating to
10 such registered investment company.”; and

11 **SEC. 17____. REPORTS BY BROKERS AND DEALERS.**

12 Section 15 of the Securities Exchange Act of 1934
13 (15 U.S.C. 78o), as amended by section 202, is further
14 amended by adding at the end the following

15 “(r) REPORT ON FEES COLLECTED FROM INVES-
16 TORS AND BROKERAGE CUSTOMERS.—

17 “(1) IN GENERAL.—Not later than 1 year after
18 the date of enactment of this subsection, each broker
19 and dealer shall annually file with the Commission
20 a report that includes, with respect to the year pre-
21 ceding such report—

22 “(A) the total amount of fees the broker
23 and dealer collected from individual investors
24 with assets in individual accounts;

1 “(B) the total amount of fees described in
2 subparagraph (A) divided by assets under man-
3 agement (‘AUM’);

4 “(C) the average fee paid by an individual
5 account (i.e., the average fee across all investor
6 accounts); and

7 “(D) the table described in paragraph (2).

8 “(2) FEE DISAGGREGATION.—Each broker and
9 dealer shall, with respect to each total amount re-
10 ported under paragraph (1)(A), include in each re-
11 port under such paragraph a table that
12 disaggregates the amount into the following cat-
13 egories:

14 “(A) The amount of management fees col-
15 lected.

16 “(B) The amount of frequent trading fees
17 collected.

18 “(C) The amount of account inactivity fees
19 collected.

20 “(D) The amount of transfer agent fees
21 collected.

22 “(E) The amount of exchange fees col-
23 lected.

24 “(F) The amount of low account balance
25 fees collected.

1 “(G) The amount of account opening fees
2 collected.

3 “(H) The amount of retirement account
4 rollover fees collected.

5 “(I) The amount of fees collected other
6 than fees described in subparagraphs (A)
7 through (H).

8 “(3) PUBLICATION OF DATA.—

9 “(A) ONLINE DATABASE.—The Commis-
10 sion shall publish the data received under para-
11 graph (1) on an online database (which shall be
12 similar to BrokerCheck) where individual inves-
13 tors can search by registered broker or dealer
14 name.

15 “(B) VISUAL METER COMPARING REG-
16 ISTERED INVESTMENT COMPANY FEES.—The
17 online database required under subparagraph
18 (A) shall include, with respect to each reg-
19 istered broker or dealer, a visual meter that—

20 “(i) indicates whether the registered
21 investment company’s fees are, when com-
22 pared to all other registered investment
23 companies that filed a report under para-
24 graph (1) for the most recent reporting
25 year—

1 “(I) in the highest quartile,
2 which shall be indicated with a back-
3 ground of red and the word ‘high’;

4 “(II) in the 25 percent to 50 per-
5 cent or 50 percent to 75 percent quar-
6 tile, which shall be indicated with a
7 background of white and the word ‘av-
8 erage’; or

9 “(III) in lowest quartile, which
10 shall be indicated with a background
11 of green and the word ‘low’; and

12 “(ii) includes—

13 “(I) a line running perpendicular
14 to the meter that corresponds to the
15 quartile under clause (i) applicable to
16 the registered broker or dealer’s fees;
17 and

18 “(II) the amount of such fees
19 shown clearly next to such line.

20 “(C) LANDING PAGES OF REGISTERED
21 BROKER OR DEALER.—Each registered broker
22 or dealer’s landing page (which may contain the
23 regulatory or disciplinary history of the reg-
24 istered broker or dealer, and such other infor-
25 mation as the Commission determines useful for

1 investors and customers) shall include the data
2 required under paragraph (1).

3 “(4) REPORT TO INVESTORS AND CUS-
4 TOMERS.—Each registered broker or dealer shall
5 provide an annual individualized fee report to the in-
6 vestors and other customers. Each report shall allow
7 each investor or customer to compare the fees
8 charged to the investor or customer to those charged
9 by other brokers and dealers and include a 10-year
10 fee projection, assuming no changes in the products,
11 services, or fee tiers offered. The report shall in-
12 clude—

13 “(A) the information provided to the Com-
14 mission under paragraph (1); and

15 “(B) the information published by the
16 Commission under paragraph (3)(B) relating to
17 such registered investment company.”; and

18 **SEC. 17 ____. REPORTS BY REGISTERED INVESTMENT ADVIS-**
19 **ERS.**

20 Section 204 of the Investment Advisers Act of 1940
21 (15 U.S.C. 80b-4), as amended by section 301, is further
22 amended by adding at the end the following:

23 “(h) REPORT ON FEES COLLECTED FROM INVES-
24 TORS.—

1 “(1) IN GENERAL.—Not later than 1 year after
2 the date of enactment of this subsection, each reg-
3 istered investment adviser shall annually file with
4 the Commission a report that includes, with respect
5 to the year preceding such report—

6 “(A) the total amount of fees the reg-
7 istered investment adviser collected from indi-
8 vidual investors with assets in individual ac-
9 counts (as opposed to institutional accounts);

10 “(B) the total amount of fees described in
11 subparagraph (A) divided by regulatory assets
12 under management (‘AUM’);

13 “(C) the average fee paid by an individual
14 account (i.e., the average fee across all investor
15 accounts); and

16 “(D) the table described in paragraph (2).

17 “(2) FEE DISAGGREGATION.—Each registered
18 investment adviser shall, with respect to each total
19 amount reported under paragraph (1)(A), include in
20 each report under such paragraph a table that
21 disaggregates the amount into the following cat-
22 egories:

23 “(A) The amount of management fees col-
24 lected.

1 “(B) The amount of frequent trading fees
2 collected.

3 “(C) The amount of account inactivity fees
4 collected.

5 “(D) The amount of transfer agent fees
6 collected.

7 “(E) The amount of exchange fees col-
8 lected.

9 “(F) The amount of low account balance
10 fees collected.

11 “(G) The amount of account opening fees
12 collected.

13 “(H) The amount of retirement account
14 rollover fees collected.

15 “(I) The amount of fees collected other
16 than fees described in subparagraphs (A)
17 through (H).

18 “(3) PUBLICATION OF DATA.—

19 “(A) ONLINE DATABASE.—The Commis-
20 sion shall publish the data received under para-
21 graph (1) on an online database (which shall be
22 similar to BrokerCheck) where individual inves-
23 tors can search by registered investment com-
24 pany name.

1 “(B) VISUAL METER COMPARING REG-
2 REGISTERED INVESTMENT ADVISER FEES.—The
3 online database required under subparagraph
4 (A) shall include, with respect to each reg-
5 istered investment adviser, a visual meter
6 that—

7 “(i) indicates whether the registered
8 investment adviser’s fees are, when com-
9 pared to all other registered investment ad-
10 visers that filed a report under paragraph
11 (1) for the most recent reporting year—

12 “(I) in the highest quartile,
13 which shall be indicated with a back-
14 ground of red and the word ‘high’;

15 “(II) in the 25 percent to 50 per-
16 cent or 50 percent to 75 percent quar-
17 tile, which shall be indicated with a
18 background of white and the word ‘av-
19 erage’; or

20 “(III) in lowest quartile, which
21 shall be indicated with a background
22 of green and the word ‘low’; and

23 “(ii) includes—

24 “(I) a line running perpendicular
25 to the meter that corresponds to the

1 quartile under clause (i) applicable to
2 the registered investment company’s
3 fees; and

4 “(II) the amount of such fees
5 shown clearly next to such line.

6 “(C) LANDING PAGES OF REGISTERED IN-
7 VESTMENT ADVISERS.—Each registered invest-
8 ment adviser’s landing page (which may contain
9 the regulatory or disciplinary history of the reg-
10 istered investment adviser, and such other in-
11 formation as the Commission determines useful
12 for investors and account holders) shall include
13 the data required under paragraph (1).

14 “(4) REPORT TO INVESTORS.—Each registered
15 investment adviser shall provide an annual individ-
16 ualized fee report to the investors of the registered
17 investment adviser. Each report shall allow each in-
18 vestor to compare the fees charged to the investor to
19 those charged by other registered investment advis-
20 ers and include a 10-year fee projection, assuming
21 no changes in the products, services, or fee tiers of-
22 fered. The report shall include—

23 “(A) the information provided to the Com-
24 mission under paragraph (1); and

1 “(B) the information published by the
2 Commission under paragraph (3)(B) relating to
3 such registered investment company.”.

4 **PART V—TRANSPARENCY AND PROHIBITION OF**
5 **CERTAIN FEES ON TRADING VENUES**

6 **SEC. 17 __. TRANSPARENT FEE STRUCTURES FOR EX-**
7 **CHANGES AND ATSS.**

8 The Securities Exchange Act of 1934 (15 U.S.C. 78a
9 et seq.) is amended by inserting after section 6 the fol-
10 lowing:

11 **“SEC. 6A. TRANSPARENT FEE STRUCTURES FOR EX-**
12 **CHANGES AND ATSS.**

13 “(a) IN GENERAL.—The Commission shall adopt
14 rules to improve the transparency of fee structures im-
15 posed by exchanges and alternative trading systems on
16 their participants.

17 “(b) REQUIREMENTS.—The rules issued under sub-
18 section (a) shall require that each exchange and each al-
19 ternative trading system—

20 “(1) publicly disclose, in a complete and readily
21 accessible format (including on the website of the ex-
22 change or the alternative trading system), a schedule
23 of all fees, dues, charges, and rebates that the ex-
24 change or alternative trading system imposes on
25 members, subscribers, or other users for trading,

1 market data, access, connectivity, or any other serv-
2 ices, and update such disclosure promptly upon any
3 change;

4 “(2) provide advance notice to the users of the
5 exchange or alternative trading system of any new
6 fee or increase in an existing fee at least 30 days be-
7 fore the effective date of such fee or increase (unless
8 a longer notice period is otherwise required by law
9 or regulation);

10 “(3) if the exchange or alternative trading sys-
11 tem offers volume-based rebates or other incentives,
12 clearly disclose the terms of such programs and the
13 effective fee after accounting for such rebates or in-
14 centives, in a manner that allows market partici-
15 pants to determine the true net cost or rebate for
16 their trading activity; and

17 “(4) issue regular billing statements or reports
18 to users of the exchange or alternative trading sys-
19 tem that itemize each fee or charge incurred for the
20 period by category (such as execution fees, market
21 data fees, connectivity fees), to allow users to verify
22 the fees charged.

23 “(c) ALTERNATIVE TRADING SYSTEM DEFINED.—In
24 this section, the term ‘alternative trading system’ means
25 any organization, association, or system that meets the

1 definition of an alternative trading system under regula-
2 tions prescribed by the Commission, including section
3 242.300(a) of title 17, Code of Federal Regulations.”.

4 **SEC. 17___ . PROHIBITION OF EXCESSIVE FEES BY EX-**
5 **CHANGES AND ATSS.**

6 The Securities Exchange Act of 1934 (15 U.S.C. 78a
7 et seq.), as amended by section 501, is further amended
8 by inserting after section 6A the following:

9 **“SEC. 6B. PROHIBITION OF EXCESSIVE FEES BY EX-**
10 **CHANGES AND ATSS.**

11 “An exchange or alternative trading system (as de-
12 fined in section 6A) may not, directly or indirectly, impose
13 any of the following fees:

14 “(1) Any fee or charge that is not reasonable
15 and proportional to the cost of the product or service
16 for which the fee is charged.

17 “(2) Any fee pursuant to a fee structure that
18 is designed in a way that unfairly disadvantages or
19 advantages certain participants relative to others
20 without a legitimate business justification.

21 “(3) Any fee pursuant to a fee model that ob-
22 scures or conceals the true cost of trading, market
23 data, or access to the market.

24 “(4) Any deceptive fee (as defined in section 2
25 of the ‘No Deceptive Fee Act of 2026’) or other fee

1 that is excessive, unreasonable, or unjustly discrimi-
2 natory, as the Commission determines appropriate
3 or necessary to protect investors.”.

