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TITLE 17 -- COMMODITY AND SECURITIES EXCHANGES
CHAPTER II -- SECURITIES AND EXCHANGE COMMISSION
PART 240 -- GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934
SUBPART A -- RULES AND REGULATIONS UNDER THE SECURITIES EXCHANGE ACT OF 1934
MANIPULATIVE AND DECEPTIVE DEVICES AND CONTRIVANCES

Go to the CFR Archive Directory

17 CFR 240.10b-5

§ 240.10b-5 Employment of manipulative and deceptive devices.

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange,

- (a) To employ any device, scheme, or artifice to defraud,
- (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or
- (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

HISTORY: [*13 FR 8183*, Dec. 22, 1948, as amended at *16 FR 7928*, Aug. 11, 1951]

AUTHORITY: (Sec. 10; *48 Stat. 891*; *15 U.S.C. 78j*)

NOTES: NOTES APPLICABLE TO ENTIRE PART:

EDITORIAL NOTE: For nomenclature changes to this part, see *57 FR 36501*, Aug. 13, 1992, and *57 FR 47409*, Oct. 16, 1992.

[PUBLISHER'S NOTE: For Federal Register citations concerning Part 240 Extension of phase-in period, see: *57 FR 28781* (1992); *58 FR 36866* (1993); *59 FR 42448* (1994); *61 FR 30396*, June 14, 1996; *62 FR 6468, 6469*, Feb. 12, 1997.]

[PUBLISHER'S NOTE: For Federal Register citations concerning Part 240 Exemptive order, see: *76 FR 36287*, June 22, 2011.]

[PUBLISHER'S NOTE: For Federal Register citations concerning Part 240 Extension of Compliance Dates, see: *76 FR 38293*, June 30, 2011.]

[PUBLISHER'S NOTE: For Federal Register citations concerning Part 240 Clarifications, see: *77 FR 43487*, July 25, 2012.]

In §§ 240.0-1 to 240.24b-3, the numbers to the right of the decimal point correspond with the respective rule numbers of the rules and regulations under the Securities Exchange Act of 1934.



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TITLE 15. COMMERCE AND TRADE
CHAPTER 2B. SECURITIES EXCHANGES

Go to the United States Code Service Archive Directory

15 USCS § 78j

THE CASE NOTES SEGMENT OF THIS DOCUMENT HAS BEEN SPLIT INTO 4 DOCUMENTS.
THIS IS PART 1.

USE THE BROWSE FEATURE TO REVIEW THE OTHER PART(S).

§ 78j. Manipulative and deceptive devices

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange--

(a)

(1) To effect a short sale, or to use or employ any stop-loss order in connection with the purchase or sale, of any security other than a government security, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(2) Paragraph (1) of this subsection shall not apply to security futures products.

(b) To use or employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, or any securities-based swap agreement[,] any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(c) (1) To effect, accept, or facilitate a transaction involving the loan or borrowing of securities in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(2) Nothing in paragraph (1) may be construed to limit the authority of the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act (*12 U.S.C. 1813(q)*)), the National Credit Union Administration, or any other Federal department or agency having a responsibility under Federal law to prescribe rules or regulations restricting transactions involving the loan or borrowing of securities in order to protect the safety and soundness of a financial institution or to protect the financial system from systemic risk.

Rules promulgated under subsection (b) that prohibit fraud, manipulation, or insider trading (but not rules imposing or specifying reporting or recordkeeping requirements, procedures, or standards as prophylactic measures against fraud, manipulation, or insider trading), and judicial precedents decided under subsection (b) and rules promulgated thereunder that prohibit fraud, manipulation, or insider trading, shall apply to security-based swap agreements to the same extent as they apply to securities. Judicial precedents decided under section 17(a) of the Securities Act of 1933 [*15 USCS § 77q(a)*] and sections 9, 15, 16, 20, and 21A of this title [*15 USCS §§ 78i, 78o, 78p, 78t, and 78u-1*], and judicial precedents decided under applicable rules promulgated under such sections, shall apply to security-based swap agreements to the same extent as they apply to securities.