

Union Calendar No. 63

112TH CONGRESS
1ST SESSION

H. R. 1573

[Report No. 112–109, Parts I and II]

To facilitate implementation of title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, promote regulatory coordination, and avoid market disruption.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2011

Mr. LUCAS (for himself, Mr. BACHUS, Mr. CONAWAY, and Mr. GARRETT) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JUNE 16, 2011

Additional sponsors: Mr. JOHNSON of Illinois, Mr. NEUGEBAUER, Mrs. SCHMIDT, Mr. THOMPSON of Pennsylvania, Mr. CRAWFORD, Mrs. ELLMERS, Mr. GIBBS, Mr. GIBSON, Mr. HULTGREN, Mr. RIBBLE, Mr. AUSTIN SCOTT of Georgia, Mr. KINGSTON, Mr. HENSARLING, Mr. HANNA, Ms. JENKINS, Mrs. HARTZLER, Mr. COFFMAN of Colorado, Mr. YODER, and Mr. GOODLATTE

JUNE 16, 2011

Reported from the Committee on Financial Services with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

JUNE 16, 2011

Reported from the Committee on Agriculture with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in boldface roman]

[For text of introduced bill, see copy of bill as introduced on April 15, 2011]

A BILL

To facilitate implementation of title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, promote regulatory coordination, and avoid market disruption.

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. EFFECTIVE DATES.**

4 *Section 712(f) of the Dodd-Frank Wall Street Reform*
5 *and Consumer Protection Act (Public Law 111–203; 15*
6 *U.S.C. 8302(f)) is amended to read as follows:*

7 *“(f) RULES AND REGISTRATION BEFORE FINAL EF-*
8 *FECTIVE DATES.—*

9 *“(1) IN GENERAL.—Beginning on the date of en-*
10 *actment of this Act and notwithstanding the effective*
11 *date of any provision of this Act, the Commodity Fu-*
12 *tures Trading Commission and the Securities and*
13 *Exchange Commission may, in order to prepare for*
14 *the effective dates of the provisions of this Act—*

15 *“(A) promulgate rules, regulations, or or-*
16 *ders permitted or required by this Act;*

17 *“(B) conduct studies and prepare reports*
18 *and recommendations required by this Act;*

19 *“(C) register persons under the provisions of*
20 *this Act; and*

21 *“(D) exempt persons, agreements, contracts,*
22 *or transactions from provisions of this Act,*
23 *under the terms contained in this Act.*

24 *“(2) EFFECTIVE DATE.—(A) Notwithstanding*
25 *paragraph (1), an action by the Commodity Futures*

1 *Trading Commission or the Securities and Exchange*
2 *Commission described in paragraph (1) shall not be-*
3 *come effective before the effective date applicable to the*
4 *action under this Act, except as provided in para-*
5 *graph (3).*

6 *“(B) Notwithstanding any provision of this Act*
7 *(other than paragraph (3)), this title and the regula-*
8 *tions under this title shall become effective on the lat-*
9 *est of—*

10 *“(i) September 30, 2012;*

11 *“(ii) 90 days after the publication of the*
12 *relevant final rule or regulation in the Federal*
13 *Register or such later date as may be specified*
14 *in the final rule or regulation; or*

15 *“(iii) the effective date otherwise applicable*
16 *to this title.*

17 *“(3) EXCEPTIONS.—*

18 *“(A) CERTAIN DEFINITIONS.—Notwith-*
19 *standing any other provision of this Act, in*
20 *order to assist persons subject to this title in*
21 *coming into compliance with the provisions of*
22 *this title on a timely basis, the Commodity Fu-*
23 *tures Trading Commission and the Securities*
24 *and Exchange Commission, in consultation with*
25 *the Board of Governors, shall adopt definitions*

1 *further defining the terms specified in subsection*
2 *(d)(1) not later than 360 days after the date of*
3 *the enactment of this Act. Such definitions shall*
4 *become effective 90 days after their publication*
5 *in the Federal Register.*

6 “(B) *REGULATORY REPORTING.*—

7 “(i) *SWAP DATA REPORTING.*—*Sections*
8 *2(h)(5) and 4r of the Commodity Exchange*
9 *Act and the rules and regulations of the*
10 *Commodity Futures Trading Commission*
11 *issued under such sections shall become ef-*
12 *fective on the later of—*

13 “(I) *90 days after the publication*
14 *of the relevant final rule or regulation*
15 *in the Federal Register, or such later*
16 *date as may be specified in the final*
17 *rule or regulation; or*

18 “(II) *the effective date otherwise*
19 *applicable to such sections.*

20 “(ii) *SECURITY-BASED SWAP DATA RE-*
21 *PORTING.*—*Sections 3C(e) and 13A(a) of the*
22 *Securities Exchange Act of 1934 and the*
23 *rules and regulations of the Securities and*
24 *Exchange Commission issued under such*

1 *sections shall become effective on the later*
2 *of—*

3 “(I) 90 days after the publication
4 *of the relevant final rule or regulation*
5 *in the Federal Register, or such later*
6 *date as may be specified in the rule or*
7 *regulation; or*

8 “(II) the effective date otherwise
9 *applicable to such sections.*

10 “(iii) SWAP DATA REPOSITORIES.—*To*
11 *facilitate compliance, before September 30,*
12 *2012, with the regulatory reporting provi-*
13 *sions of this section, the Commodity Futures*
14 *Trading Commission and the Securities and*
15 *Exchange Commission may authorize the*
16 *reporting of swap data and security-based*
17 *swap data to any person then conducting*
18 *the business described in section 1a(48) of*
19 *the Commodity Exchange Act (7 U.S.C.*
20 *1a(48)) or section 3(a)(75) of the Securities*
21 *Exchange Act of 1934 (15 U.S.C. 78m), re-*
22 *spectively, who has—*

23 “(I) provided notice to the rel-
24 *evant Commission of its intention to*
25 *register as a swap data repository or*

1 *security-based swap data repository, as*
2 *applicable; and*

3 “(II) *made such undertakings to*
4 *the relevant Commission as such Com-*
5 *mission has determined to be appro-*
6 *priate and in the public interest, con-*
7 *sistent with this title.*

8 “(C) *CERTAIN CLEARING PROVISIONS.—Sec-*
9 *tion 3C of the Securities Exchange Act of 1934*
10 *(15 U.S.C. 78c–3) (except for subsections (e) and*
11 *(h) of such section) and the rules and regulations*
12 *of the Securities and Exchange Commission*
13 *under such section shall take effect on the date*
14 *otherwise applicable to such section.*

15 “(D) *AUTHORITY RELATING TO SPECULA-*
16 *TIVE TRADING.—Notwithstanding any other pro-*
17 *vision of this Act, this subsection shall not delay*
18 *the use of any authority granted to the Securities*
19 *and Exchange Commission and the Commodity*
20 *Futures Trading Commission to address specula-*
21 *tive trading, including the impact of such trad-*
22 *ing on the markets, users, or investors and con-*
23 *sumers. The Commissions shall report to the ap-*
24 *propriate committees of Congress on the use of*
25 *such authority.*

1 “(E) *PROHIBITION ON FEDERAL BAIL-*
2 *OUTS.—Notwithstanding paragraph (2), section*
3 *716 of this Act shall take effect on the date pro-*
4 *vided for in such section.*”.

5 **SEC. 2. IMPLEMENTATION ANALYSIS.**

6 *Section 712 of the Dodd-Frank Wall Street Reform*
7 *and Consumer Protection Act (Public Law 111–203; 15*
8 *U.S.C. 8302), as amended by section 1 of this Act, is*
9 *amended by adding at the end the following:*

10 “(g) *IMPLEMENTATION ANALYSIS.—Notwithstanding*
11 *any other provision of this title, the Commodity Futures*
12 *Trading Commission and the Securities and Exchange*
13 *Commission shall, before prescribing final rules and regula-*
14 *tions under this title—*

15 “(1) *conduct public hearings and roundtables*
16 *and take testimony of affected market participants,*
17 *experts and other interested parties, and solicit public*
18 *comment, regarding—*

19 “(A) *the time and resources that would be*
20 *required of affected parties in order to develop*
21 *systems and infrastructure necessary to comply*
22 *with any rules and regulations proposed or then*
23 *contemplated by the relevant Commission;*

1 “(B) any alternative approaches capable of
2 accomplishing the relevant Commission’s rule-
3 making objectives; and

4 “(C) the time and resources that would be
5 required of affected parties in order to develop
6 policies and procedures designed to comply with
7 any rules and regulations proposed or then con-
8 templated by the relevant Commission, and

9 “(2) take such testimony and comment into ac-
10 count in—

11 “(A) performing the cost-benefit analysis re-
12 quired under Federal law in connection with its
13 adoption of the relevant final rules and regula-
14 tions; and

15 “(B) determining the effective date of the
16 relevant final rules and regulations.”.

17 **SEC. 3. REGULATORY COORDINATION.**

18 (a) *COMMODITY FUTURES TRADING COMMISSION.*—
19 Section 2(a)(1) of the Commodity Exchange Act (7 U.S.C.
20 2(a)(1)) is amended by adding at the end the following:

21 “(J)(i) Notwithstanding any other provi-
22 sion of this Act, the Commission may exempt, in
23 whole or in part, a person from the registration
24 and related regulatory requirements of this Act
25 that were added by title VII of the Dodd-Frank

1 *Wall Street Reform and Consumer Protection*
2 *Act if and to the extent that the Commission de-*
3 *termines that—*

4 “(I) *the person is subject to comprehen-*
5 *sive supervision and regulation under a reg-*
6 *ulatory scheme administered by another*
7 *regulatory authority or the appropriate gov-*
8 *ernmental authorities in the person’s home*
9 *country that is comparable to the relevant*
10 *provisions of this Act,*

11 “(II) *adequate information-sharing ar-*
12 *rangements are in effect between the Com-*
13 *mission and the other regulatory authority,*
14 *and*

15 “(III) *the exemption would be con-*
16 *sistent with the public interest.*

17 “(i) *The Commission may condition any*
18 *such exemption on compliance with all or any*
19 *part of the alternate regulatory scheme, and on*
20 *such other terms as the Commission determines*
21 *appropriate, and may deem any noncompliance*
22 *with the alternate regulatory scheme or other*
23 *terms a violation of the corresponding provisions*
24 *of this Act.”.*

1 (b) *SECURITIES AND EXCHANGE COMMISSION.*—*The*
2 *Securities Exchange Act of 1934 (15 U.S.C. 78m) is amend-*
3 *ed by inserting after section 4E the following:*

4 **“SEC. 4F. EXEMPTIVE AUTHORITY.**

5 “(a) *IN GENERAL.*—*Notwithstanding any other provi-*
6 *sion of this Act, the Commission may exempt, in whole or*
7 *in part, a person from the registration and related regu-*
8 *latory requirements of this Act that were added by title VII*
9 *of the Dodd-Frank Wall Street Reform and Consumer Pro-*
10 *tection Act if and to the extent that the Commission deter-*
11 *mines that—*

12 “(1) *the person is subject to comprehensive su-*
13 *per vision and regulation under a regulatory scheme*
14 *administered by another regulatory authority or the*
15 *appropriate governmental authorities in the person’s*
16 *home country that is comparable to the relevant pro-*
17 *visions of this Act;*

18 “(2) *adequate information-sharing arrangements*
19 *are in effect with the other regulatory authority; and*

20 “(3) *the exemption would be consistent with the*
21 *protection of investors.*

22 “(b) *CONDITION ON COMPLIANCE.*—*The Commission*
23 *may condition any such exemption on compliance with all*
24 *or any part of the alternate regulatory scheme, and such*
25 *other terms as the Commission determines appropriate, and*

1 *may deem any noncompliance with the alternate regulatory*
2 *scheme or other terms a violation of the corresponding pro-*
3 *visions of this Act.”.*

4 **SECTION 1. EFFECTIVE DATES.**

5 **Section 712(f) of the Dodd-Frank Wall**
6 **Street Reform and Consumer Protection Act**
7 **(Public Law 111-203) is amended to read as**
8 **follows:**

9 **“(f) RULES AND REGISTRATION BEFORE**
10 **FINAL EFFECTIVE DATES.—**

11 **“(1) IN GENERAL.—Beginning on the**
12 **date of enactment of this Act and not-**
13 **withstanding the effective date of any**
14 **provision of this Act, the Commodity Fu-**
15 **tures Trading Commission and the Secu-**
16 **rities and Exchange Commission may, in**
17 **order to prepare for the effective dates of**
18 **the provisions of this Act—**

19 **“(A) promulgate rules, regula-**
20 **tions, or orders permitted or required**
21 **by this Act;**

22 **“(B) conduct studies and prepare**
23 **reports and recommendations re-**
24 **quired by this Act;**

1 **“(C) register persons under the**
2 **provisions of this Act; and**

3 **“(D) exempt persons, agreements,**
4 **contracts, or transactions from provi-**
5 **sions of this Act, under the terms con-**
6 **tained in this Act.**

7 **“(2) EFFECTIVE DATE.—(A) Notwith-**
8 **standing paragraph (1), an action by the**
9 **Commodity Futures Trading Commission**
10 **or the Securities and Exchange Commis-**
11 **sion described in paragraph (1) shall not**
12 **become effective before the effective date**
13 **applicable to the action under this Act,**
14 **except as provided in paragraph (3).**

15 **“(B) Notwithstanding any provision of**
16 **this Act (other than paragraph (3) and**
17 **sections 721(a)(4) and 721(f)), this title**
18 **and the regulations under this title shall**
19 **become effective on the latest of—**

20 **“(i) December 31, 2012;**

21 **“(ii) 90 days after the publication**
22 **of the relevant final rule or regula-**
23 **tion in the Federal Register or such**
24 **later date as may be specified in the**
25 **final rule or regulation; or**

1 “(iii) the effective date otherwise
2 applicable to this title.

3 **“(3) EXCEPTIONS.—**

4 **“(A) CERTAIN DEFINITIONS.—Not-**
5 **withstanding any other provision of**
6 **this Act, in order to assist persons**
7 **subject to this title in coming into**
8 **compliance with the provisions of**
9 **this title on a timely basis, the Com-**
10 **modity Futures Trading Commission**
11 **and the Securities and Exchange**
12 **Commission, in consultation with the**
13 **Board of Governors, shall adopt defi-**
14 **initions further defining the terms**
15 **specified in subsection (d)(1) not later**
16 **than 360 days after the date of the en-**
17 **actment of this Act. Such definitions**
18 **shall become effective 90 days after**
19 **their publication in the Federal Reg-**
20 **ister.**

21 **“(B) REGULATORY REPORTING.—**

22 **“(i) SWAP DATA REPORTING.—**
23 **Notwithstanding any other provi-**
24 **sion of this Act, sections 2(h)(5)**
25 **and 4r of the Commodity Ex-**

1 change Act and the rules and reg-
2 ulations of the Commodity Fu-
3 tures Trading Commission issued
4 under such sections shall become
5 effective on the later of—

6 “(I) 90 days after the pub-
7 lication of the relevant final
8 rule or regulation in the Fed-
9 eral Register, or such later
10 date as may be specified in
11 the final rule or regulation; or

12 “(II) the effective date oth-
13 erwise applicable to such sec-
14 tions.

15 “(ii) SECURITY-BASED SWAP
16 DATA REPORTING.—Sections 3C(e)
17 and 13A(a) of the Securities Ex-
18 change Act of 1934 and the rules
19 and regulations of the Securities
20 and Exchange Commission issued
21 under such sections shall become
22 effective on the later of—

23 “(I) 90 days after the pub-
24 lication of the relevant final
25 rule or regulation in the Fed-

1 eral Register, or such later
2 date as may be specified in
3 the rule or regulation; or

4 “(II) the effective date oth-
5 erwise applicable to such sec-
6 tions.

7 “(iii) SWAP DATA REPOSI-
8 TORIES.—To facilitate compliance,
9 before December 31, 2012, with
10 the regulatory reporting provi-
11 sions of this section, the Com-
12 modity Futures Trading Commis-
13 sion and the Securities and Ex-
14 change Commission may author-
15 ize the reporting of swap data
16 and security-based swap data to
17 any person then conducting the
18 business described in section
19 1a(48) of the Commodity Ex-
20 change Act (7 U.S.C. 1a(48)) or
21 section 3(a)(75) of the Securities
22 Exchange Act of 1934 (15 U.S.C.
23 78m), respectively, who has—

24 “(I) provided notice to the
25 relevant Commission of its in-

1 **tention to register as a swap**
2 **data repository or security-**
3 **based swap data repository,**
4 **as applicable; and**

5 **“(II) made such under-**
6 **takings to the relevant Com-**
7 **mission as such Commission**
8 **has determined to be appro-**
9 **priate and in the public inter-**
10 **est, consistent with this title.”.**

11 **SEC. 2. IMPLEMENTATION ANALYSIS.**

12 **Section 712 of the Dodd-Frank Wall Street**
13 **Reform and Consumer Protection Act (Public**
14 **Law 111–203), as amended by section 1 of this**
15 **Act, is amended by adding at the end the fol-**
16 **lowing:**

17 **“(g) IMPLEMENTATION ANALYSIS.—Notwith-**
18 **standing any other provision of this title, the**
19 **Commodity Futures Trading Commission and**
20 **the Securities and Exchange Commission**
21 **shall, before prescribing final rules and regu-**
22 **lations under this title—**

23 **“(1) conduct public hearings and**
24 **roundtables and take testimony of af-**
25 **ected market participants, experts and**

1 **other interested parties, and solicit public comment, regarding—**
2

3 **“(A) the time and resources that**
4 **would be required of affected parties**
5 **in order to develop systems and infrastructure necessary to comply with**
6 **any rules and regulations proposed**
7 **or then contemplated by the relevant**
8 **Commission;**
9

10 **“(B) any alternative approaches**
11 **capable of accomplishing the relevant**
12 **Commission’s rulemaking objectives;**
13 **and**

14 **“(C) the time and resources that**
15 **would be required of affected parties**
16 **in order to develop policies and procedures designed to comply with any**
17 **rules and regulations proposed or**
18 **then contemplated by the relevant**
19 **Commission, and**
20

21 **“(2) take such testimony and comment into account in—**
22

23 **“(A) performing the cost-benefit**
24 **analysis required under Federal law**
25 **in connection with its adoption of the**

1 **relevant final rules and regulations;**
2 **and**

3 **“(B) determining the effective**
4 **date of the relevant final rules and**
5 **regulations.”.**

6 **SEC. 3. REGULATORY COORDINATION.**

7 **(a) COMMODITY FUTURES TRADING COMMIS-**
8 **SION.—Section 2(a)(1) of the Commodity Ex-**
9 **change Act (7 U.S.C. 2(a)(1)) is amended by**
10 **adding at the end the following:**

11 **“(J)(i) Notwithstanding any other**
12 **provision of this Act, the Commission**
13 **may exempt, in whole or in part, a**
14 **person from the registration and re-**
15 **lated regulatory requirements of this**
16 **Act if and to the extent that the Com-**
17 **mission determines that—**

18 **“(I) the person is subject to**
19 **comprehensive supervision and**
20 **regulation under a regulatory**
21 **scheme administered by another**
22 **domestic regulatory authority or**
23 **the appropriate governmental au-**
24 **thorities in the person’s home**

1 country that is comparable to the
2 relevant provisions of this Act,

3 “(II) adequate information-
4 sharing arrangements are in ef-
5 fect between the Commission and
6 the other regulatory authority,
7 and

8 “(III) the exemption would be
9 consistent with the public inter-
10 est.

11 “(ii) The Commission may condi-
12 tion any such exemption on compli-
13 ance with all or any part of the alter-
14 nate regulatory scheme, and on such
15 other terms as the Commission deter-
16 mines appropriate, and may deem
17 any noncompliance with the
18 alternate regulatory scheme or other
19 terms a violation of the cor-
20 responding provisions of this Act.”.

21 (b) SECURITIES AND EXCHANGE COMMIS-
22 SION.—The Securities Exchange Act of 1934
23 (15 U.S.C. 78m) is amended by inserting after
24 section 4E the following:

1 **“SEC. 4F. EXEMPTIVE AUTHORITY.**

2 **“(a) IN GENERAL.—Notwithstanding any**
3 **other provision of this Act, the Commission**
4 **may exempt, in whole or in part, a person**
5 **from the registration and related regulatory**
6 **requirements of this Act if and to the extent**
7 **that the Commission determines that—**

8 **“(1) the person is subject to com-**
9 **prehensive supervision and regulation**
10 **under a regulatory scheme administered**
11 **by another regulatory authority or the**
12 **appropriate governmental authorities in**
13 **the person’s home country that is com-**
14 **parable to the relevant provisions of this**
15 **Act;**

16 **“(2) adequate information-sharing ar-**
17 **rangements are in effect with the other**
18 **regulatory authority; and**

19 **“(3) the exemption would be con-**
20 **sistent with the protection of investors.**

21 **“(b) CONDITION ON COMPLIANCE.—The Com-**
22 **mission may condition any such exemption on**
23 **compliance with all or any part of the alter-**
24 **nate regulatory scheme, and such other terms**
25 **as the Commission determines appropriate,**
26 **and may deem any noncompliance with the**

1 **alternate regulatory scheme or other terms a**
2 **violation of the corresponding provisions of**
3 **this Act.”.**

Union Calendar No. 63

112TH CONGRESS
1ST Session

H. R. 1573

[Report No. 112-109, Parts I and II]

A BILL

To facilitate implementation of title VII of the Dodd-Prank Wall Street Reform and Consumer Protection Act, promote regulatory coordination, and avoid market disruption.

JUNE 16, 2011

Reported from the Committee on Financial Services with
an amendment

JUNE 16, 2011

Reported from the Committee on Agriculture with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed