H. R. 1573

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

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EFFECTIVE DATES.

Section 712(f) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203) is amended to read as follows:
“(f) Rules and Registration Before Final Effective Dates.—

“(1) In general.—Beginning on the date of enactment of this Act and notwithstanding the effective date of any provision of this Act, the Commodity Futures Trading Commission and the Securities and Exchange Commission may, in order to prepare for the effective dates of the provisions of this Act—

“(A) promulgate rules, regulations, or orders permitted or required by this Act;

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

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

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

“(2)(A) Notwithstanding paragraph (1), an action by the Commodity Futures Trading Commission or the Securities and Exchange Commission described in paragraph (1) shall not become effective before the effective date applicable to the action under this Act, except as provided in paragraph (3).
“(B) Notwithstanding any provision of this Act (other than paragraph (3)), this title and the regulations under this title shall become effective on the latest of—

“(i) December 31, 2012;
“(ii) 90 days after the publication of the relevant final rule or regulation in the Federal Register or such later date as may be specified in the final rule or regulation; or
“(iii) the effective date otherwise applicable to this title.

“(3) EXCEPTIONS.—

“(A) Certain definitions.—Notwithstanding any other provision of this Act, in order to assist persons subject to this title in coming into compliance with the provisions of this title on a timely basis, the Commodity Futures Trading Commission and the Securities and Exchange Commission, in consultation with the Board of Governors, shall adopt definitions further defining the terms specified in subsection (d)(1) not later than 360 days after the date of the enactment of this Act. Such definitions shall become effective 90 days after their publication in the Federal Register.
“(B) Regulatory reporting.—

“(i) Swap data reporting.—Sections 2(h)(5) and 4r of the Commodity Exchange Act and the rules and regulations of the Commodity Futures Trading Commission issued under such sections shall become effective on the later of—

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

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

“(ii) Security-based swap data reporting.—Sections 3C(e) and 13A(a) of the Securities Exchange Act of 1934 and the rules and regulations of the Securities and Exchange Commission issued under such sections shall become effective on the later of—

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

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

“(iii) Swap data repositories.—To
facilitate compliance, before December 31,
2012, with the regulatory reporting provi-
sions of this section, the Commodity Fu-
tures Trading Commission and the Securi-
ties and Exchange Commission may au-
thorize the reporting of swap data and se-
curity-based swap data to any person then
conducting the business described in sec-
tion 1a(48) of the Commodity Exchange
Act (7 U.S.C. 1a(48)) or section 3(a)(75)
of the Securities Exchange Act of 1934
(15 U.S.C. 78m), respectively, who has—

“(I) provided notice to the rel-
evant Commission of its intention to
register as a swap data repository or
security-based swap data repository,
as applicable; and

“(II) made such undertakings to
the relevant Commission as such
Commission has determined to be ap-
propriate and in the public interest, consistent with this title.”.

SEC. 2. IMPLEMENTATION ANALYSIS.

Section 712 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203), as amended by section 1 of this Act, is amended by adding at the end the following:

“(g) IMPLEMENTATION ANALYSIS.—Notwithstanding any other provision of this title, the Commodity Futures Trading Commission and the Securities and Exchange Commission shall, before prescribing final rules and regulations under this title—

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

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

“(B) any alternative approaches capable of accomplishing the relevant Commission’s rule-making objectives; and
“(C) the time and resources that would be required of affected parties in order to develop policies and procedures designed to comply with any rules and regulations proposed or then contemplated by the relevant Commission, and “(2) take such testimony and comment into account in—

“(A) performing the cost-benefit analysis required under Federal law in connection with its adoption of the relevant final rules and regulations; and

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

SEC. 3. REGULATORY COORDINATION.

(a) Commodity Futures Trading Commission.—

Section 2(a)(1) of the Commodity Exchange Act (7 U.S.C. 2(a)(1)) is amended by adding at the end the following:

“(J)(i) Notwithstanding any other provision of this Act, the Commission may exempt, in whole or in part, a person from the registration and related regulatory requirements of this Act if and to the extent that the Commission determines that—

“(I) the person is subject to comprehensive supervision and regulation
under a regulatory scheme administered by
another regulatory authority or the appro-
priate governmental authorities in the per-
son’s home country that is comparable to
the relevant provisions of this Act,
“(II) adequate information-sharing
arrangements are in effect between the
Commission and the other regulatory au-
thority, and
“(III) the exemption would be con-
sistent with the public interest.
“(ii) The Commission may condition any
such exemption on compliance with all or any
part of the alternate regulatory scheme, and on
such other terms as the Commission determines
appropriate, and may deem any noncompliance
with the alternate regulatory scheme or other
terms a violation of the corresponding provi-
sions of this Act.”.

(b) SECURITIES AND EXCHANGE COMMISSION.—The
Securities Exchange Act of 1934 (15 U.S.C. 78m) is
amended by inserting after section 4C the following:
“SEC. 4D. EXEMPTIVE AUTHORITY.
“(a) Notwithstanding any other provision of this Act,
the Commission may exempt, in whole or in part, a person
from the registration and related regulatory requirements of this Act if and to the extent that the Commission determines that—

“(1) the person is subject to comprehensive supervision and regulation under a regulatory scheme administered by another regulatory authority or the appropriate governmental authorities in the person’s home country that is comparable to the relevant provisions of this Act;

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

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

“(b) The Commission may condition any such exemption on compliance with all or any part of the alternate regulatory scheme, and such other terms as the Commission determines appropriate, and may deem any non-compliance with the alternate regulatory scheme or other terms a violation of the corresponding provisions of this Act.”.