

114TH CONGRESS
1ST SESSION

S. _____

To amend the Commodity Exchange Act to provide end-users with a reasonable amount of time to meet their margin requirements and to repeal certain indemnification requirements for regulatory authorities to obtain access to swap data required to be provided by swaps entities.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To amend the Commodity Exchange Act to provide end-users with a reasonable amount of time to meet their margin requirements and to repeal certain indemnification requirements for regulatory authorities to obtain access to swap data required to be provided by swaps entities.

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. FUTURES COMMISSION MERCHANT COMPLI-**
4 **ANCE.**

5 (a) IN GENERAL.—Section 4d(a) of the Commodity
6 Exchange Act (7 U.S.C. 6d(a)) is amended—

1 (1) by redesignating paragraphs (1) and (2) as
2 subparagraphs (A) and (B), respectively, and indent-
3 ing appropriately;

4 (2) by striking “SEC. 4d” and all that follows
5 through “It shall be unlawful” and inserting the fol-
6 lowing:

7 “SEC. 4d. DEALING BY UNREGISTERED FUTURES
8 COMMISSION MERCHANTS OR INTRODUCING MERCHANTS
9 PROHIBITED.

10 “(a) REGISTRATION REQUIREMENTS AND DUTIES.—

11 “(1) IN GENERAL.—It shall be unlawful”; and

12 (3) by adding at the end the following:

13 “(2) RESIDUAL INTEREST REQUIREMENT.—

14 Any rules or regulations requiring a futures commis-
15 sion merchant to maintain a residual interest in ac-
16 counts held for the benefit of customers in amounts
17 at least sufficient to exceed the sum of all uncol-
18 lected margin deficits of the customers shall provide
19 that a futures commission merchant shall meet the
20 residual interest requirement as of the end of each
21 business day calculated as of the close of business on
22 the previous business day.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 4d of the Commodity Exchange Act

25 (7 U.S.C. 6d) is amended—

1 (A) in subsection (b), by striking “para-
2 graph (2) of this section” and inserting “sub-
3 section (a)(1)(B)”;

4 (B) in subsection (h), by striking “Not-
5 withstanding subsection (a)(2)” and inserting
6 “Notwithstanding subsection (a)(1)(B)”.

7 (2) Section 15(c)(3)(C) of the Securities Ex-
8 change Act of 1934 (15 U.S.C. 78o(c)(3)(C)) is
9 amended by striking “4d(a)(2)” and inserting
10 “4d(a)(1)(B)”.

11 **SEC. 2. REPEAL OF INDEMNIFICATION REQUIREMENTS.**

12 (a) DERIVATIVES CLEARING ORGANIZATIONS.—Sec-
13 tion 5b(k) of the Commodity Exchange Act (7 U.S.C. 7a-
14 1(k)) is amended by striking paragraph (5) and inserting
15 the following:

16 “(5) CONFIDENTIALITY AGREEMENT.—Before
17 the Commission may share information with any en-
18 tity described in paragraph (4), the Commission
19 shall receive a written agreement from each entity
20 stating that the entity shall abide by the confiden-
21 tiality requirements described in section 8 relating to
22 the information on swap transactions that is pro-
23 vided.”.

1 (b) SWAP DATA REPOSITORIES.—Section 21 of the
2 Commodity Exchange Act (7 U.S.C. 24a) is amended by
3 striking subsection (d) and inserting the following:

4 “(d) CONFIDENTIALITY AGREEMENT.—Before the
5 swap data repository may share information with any enti-
6 ty described in subsection (c)(7), the swap data repository
7 shall receive a written agreement from each entity stating
8 that the entity shall abide by the confidentiality require-
9 ments described in section 8 relating to the information
10 on swap transactions that is provided.”.

11 (c) CONFORMING AMENDMENT.—Section 13(n)(5) of
12 the Securities Exchange Act of 1934 (15 U.S.C.
13 78m(n)(5)) is amended by striking subparagraph (H) and
14 inserting the following:

15 “(H) CONFIDENTIALITY AGREEMENT.—
16 Before the security-based swap data repository
17 may share information with any entity de-
18 scribed in subparagraph (G), the security-based
19 swap data repository shall receive a written
20 agreement from each entity stating that the en-
21 tity shall abide by the confidentiality require-
22 ments described in section 24 relating to the in-
23 formation on security-based swap transactions
24 that is provided.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect as if enacted as part of the
3 Dodd-Frank Wall Street Reform and Consumer Protec-
4 tion Act (Public Law 111–203; 124 Stat. 1376) on July
5 21, 2010.