

112TH CONGRESS
1ST SESSION

H. R. 2586

To refine the definition of swap execution facility in the provisions regulating swap markets added by title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2011

Mr. GARRETT (for himself, Mrs. MALONEY, Mr. HURT, and Mr. MEEKS) 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 refine the definition of swap execution facility in the provisions regulating swap markets added by title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

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. SHORT TITLE.**

4 This Act may be cited as the “Swap Execution Facil-
5 ity Clarification Act”.

1 **SEC. 2. DEFINITION OF SWAP EXECUTION FACILITY.**

2 (a) COMMODITY EXCHANGE ACT.—Section 1a(50) of
3 the Commodity Exchange Act (7 U.S.C. 1a(50)) is amend-
4 ed—

5 (1) by striking “The term” and inserting the
6 following:

7 “(A) IN GENERAL.—The term”;

8 (2) by redesignating subparagraphs (A) and
9 (B) as clauses (i) and (ii), respectively; and

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

11 “(B) INTERPRETATION.—In interpreting
12 or further defining the term ‘swap execution fa-
13 cility’, the Commission shall not require a swap
14 execution facility to—

15 “(i) have a minimum number of par-
16 ticipants receive a bid or offer or respond
17 to any trading system or platform
18 functionality;

19 “(ii) display or delay bids or offers for
20 any period of time;

21 “(iii) limit the means of interstate
22 commerce utilized by market participants
23 to enter into and execute any swap trans-
24 actions on the trading system or platform;
25 or

1 “(iv) require bids or offers on one
2 trading system or platform operated by the
3 swap execution facility to interact with
4 bids or offers on another trading system or
5 platform operated by the swap execution
6 facility”.

7 (b) SECURITIES EXCHANGE ACT OF 1934.—Section
8 3(a)(77) of the Securities Exchange Act of 1934 (15
9 U.S.C. 78c(a)(77)) is amended—

10 (1) by striking “The term” and inserting the
11 following:

12 “(A) IN GENERAL.—The term”;

13 (2) by redesignating subparagraphs (A) and
14 (B) as clauses (i) and (ii), respectively; and

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

16 “(B) INTERPRETATION.—In interpreting
17 or further defining the term ‘security-based
18 swap execution facility’, the Commission shall
19 not require a security-based swap execution fa-
20 cility to—

21 “(i) have a minimum number of par-
22 ticipants receive a bid or offer or respond
23 to any trading system or platform
24 functionality;

1 “(ii) display or delay bids or offers for
2 any period of time;

3 “(iii) limit the means of interstate
4 commerce utilized by market participants
5 to enter into and execute any security-
6 based swap transactions on the trading
7 system or platform; or

8 “(iv) require bids or offers on one
9 trading system or platform operated by the
10 swap execution facility to interact with
11 bids or offers on another trading system or
12 platform operated by the swap execution
13 facility.”.

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