

## S 1650

Dodd-Frank Improvement Act of 2011

**Congress:** 112 (2011–2013, Ended)

**Chamber:** Senate

**Policy Area:** Finance and Financial Sector

**Introduced:** Oct 4, 2011

**Current Status:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

**Latest Action:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Oct 4, 2011)

**Official Text:** <https://www.congress.gov/bill/112th-congress/senate-bill/1650>

### Sponsor

**Name:** Sen. Crapo, Mike [R-ID]

**Party:** Republican • **State:** ID • **Chamber:** Senate

### Cosponsors (6 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Johanns, Mike [R-NE]	R · NE		Oct 4, 2011
Sen. Kirk, Mark Steven [R-IL]	R · IL		Oct 4, 2011
Sen. Moran, Jerry [R-KS]	R · KS		Oct 4, 2011
Sen. Shelby, Richard C. [R-AL]	R · AL		Oct 4, 2011
Sen. Toomey, Patrick [R-PA]	R · PA		Oct 4, 2011
Sen. Vitter, David [R-LA]	R · LA		Oct 4, 2011

### Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Oct 4, 2011

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

### Related Bills

Bill	Relationship	Last Action
112 HR 2682	Related bill	Mar 28, 2012: Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 342.
112 S 1610	Related bill	Sep 22, 2011: Read twice and referred to the Committee on Environment and Public Works.
112 S 947	Related bill	May 11, 2011: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Dodd-Frank Improvement Act of 2011 - Amends the Securities Exchange Act of 1934 to establish the Office of Derivatives within the Securities and Exchange Commission (SEC) to: (1) administer SEC rules governing security-based swaps, (2) coordinate oversight of the market for swaps and security-based swaps with domestic and international regulators, and (3) monitor the swaps and security-based swaps market.

Amends the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) to: (1) extend the date of issuance for certain regulations regarding the swaps and security-based swaps market, and (2) set a deadline for the SEC, the Commodity Futures Trading Commission (CFTC), and the prudential regulators to adopt jointly an implementation schedule for the regulation of the over-the-counter-swaps market.

Amends the Commodity Exchange Act, with respect to the registration and regulation of swap dealers and major swap participants, to exempt from specified margin requirements any swaps in which one of the counterparties is not: (1) a swap dealer or a major swap participant; (2) the Federal National Mortgage Association (Fannie Mae) or any affiliate, the Federal Home Loan Mortgage Corporation (Freddie Mac) or any affiliate, or any Federal Home Loan Bank; or (3) a commodity pool predominantly invested in any combination of commodities, commodity swaps, commodity options, or commodity futures.

Exempts from such margin requirements also an investment fund that: (1) has issued non-debt securities to more than five unaffiliated persons, (2) would be an investment company but for specified disqualifications, and (3) is not primarily invested in physical assets directly or through an interest in an affiliate that owns the physical assets.

Exempts also from such requirements swaps entered into before the date on which final rules become effective.

Amends the Securities Exchange Act of 1934 to exempt from the margin requirements for security-based swap dealers and major security-based swap participants any security-based swap in which one of the counterparties is not: (1) a security-based swap dealer or major security-based swap participant; (2) an investment fund that would be an investment company but for specified disqualifications, and is not primarily invested in physical assets directly or through an interest in an affiliate that owns the physical assets; (3) Fannie Mae or an affiliate, Freddie Mac or an affiliate, or a Federal Home Loan Bank; or (4) a commodity pool predominantly invested in any combination of commodities, commodity swaps, commodity options, or commodity futures.

Exempts also from such requirements security-based swaps entered into before the date on which final rules become effective.

Amends Dodd-Frank to state that an agreement, contract, or transaction entered into by a party that is either controlling, controlled by, or under common control with its counterparty (affiliate transaction) shall not be deemed a "swap" or "security-based swap" subject to regulation under such Act.

Requires that such affiliate transactions be reported to either a swap data repository or to the SEC, if there is no swap data repository that would accept such transaction reports.

Requires the CFTC and the SEC to add to a required study on the effects of position limits on trading on exchanges in the United States an analysis of the progress made by members of the Group of 20 and other countries toward implementing derivatives regulatory reform, and on possible and likely effects on United States competitiveness, market liquidity, and financial stability.

Authorizes the two agencies, upon completion of a report to Congress on such study, to issue jointly any rules necessary to prohibit transactions or activities, or classes of transactions or activities conducted outside of the United States, that they find: (1) have no valid business purpose, (2) are structured with the sole purpose of evading the requirements of the Wall Street Transparency and Accountability Act of 2010, and (3) might reasonably be expected to have a serious adverse effect upon the stability of the U.S. financial system.

States that activities conducted outside of the United States between counterparties established under the laws of any jurisdiction outside of the United States shall not be considered to: (1) have a direct and significant connection with activities in, or effect upon, U.S. commerce; (2) constitute a business within U.S. jurisdiction; or (3) constitute evasion of any provision of Dodd-Frank, unless those activities contravene any rules adopted by the CFTC and the SEC.

### **Actions Timeline**

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- **Oct 4, 2011:** Introduced in Senate
- **Oct 4, 2011:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.