

HR 1317

To amend the Commodity Exchange Act and the Securities Exchange Act of 1934 to specify how clearing requirements apply to certain affiliate transactions, and for other purposes.

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Mar 4, 2015

Current Status: Received in the Senate and Read twice and referred to the Committee on Agriculture, Nutrition, and F

Latest Action: Received in the Senate and Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry. (Nov 17, 2015)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/1317>

Sponsor

Name: Rep. Moore, Gwen [D-WI-4]

Party: Democratic • **State:** WI • **Chamber:** House

Cosponsors (3 total)

| Cosponsor | Party / State | Role | Date Joined |
|---------------------------------------|---------------|------|-------------|
| Rep. Fudge, Marcia L. [D-OH-11] | D · OH | | Mar 4, 2015 |
| Rep. Gibson, Christopher P. [R-NY-19] | R · NY | | Mar 4, 2015 |
| Rep. Stivers, Steve [R-OH-15] | R · OH | | Mar 4, 2015 |

Committee Activity

| Committee | Chamber | Activity | Date |
|--|---------|----------------------------|--------------|
| Agriculture Committee | House | Referred to | Mar 23, 2015 |
| Agriculture, Nutrition, and Forestry Committee | Senate | Referred To | Nov 17, 2015 |
| Financial Services Committee | House | Hearings By (subcommittee) | Apr 29, 2015 |

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

| Bill | Relationship | Last Action |
|-------------|--------------|---|
| 114 HR 2029 | Related bill | Dec 18, 2015: Became Public Law No: 114-113. |
| 114 HR 2289 | Related bill | Jun 10, 2015: Received in the Senate and Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry. |
| 114 S 876 | Related bill | Mar 26, 2015: Referred to the Committee on Agriculture, Nutrition, and Forestry. |
| 114 HR 37 | Related bill | Jan 16, 2015: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. |

(This measure has not been amended since it was reported to the House on October 26, 2015. The summary of that version is repeated here.)

(Sec. 1) This bill amends the Commodity Exchange Act and the Securities Exchange Act of 1934 regarding clearing requirements for certain affiliate swap transactions to revise the conditions under which an affiliate of a person that qualifies for an exception from clearing requirements may itself qualify for such exceptions.

The affiliate must be:

- directly and wholly-owned by another affiliate qualified for the exception or an entity that is not a financial entity;
- not indirectly majority-owned by a financial entity;
- not ultimately owned by a parent company that is a financial entity; and
- an affiliate that does not provide any services, financial or otherwise, to any affiliate that is a nonbank financial company supervised by the Board of Governors of the Federal Reserve System.

The bill disqualifies for the exceptions, however, any affiliate that is:

- a swap dealer, a security-based swap dealer, a major swap participant, a major security-based swap participant, or a commodity pool (all disqualified under current law);
- a bank holding company (not, as under current law, only a bank holding company with over \$50 billion in consolidated assets);
- a specified kind of private fund;
- an employee benefit plan or government plan under the Employee Retirement Income Security Act of 1974 (ERISA);
- an insured depository institution;
- a farm credit system institution;
- a credit union;
- a nonbank financial company supervised by the Federal Reserve Board; or
- an entity engaged in the business of insurance and subject to state or foreign government capital requirements.

Unless the Commodity Futures Trading Commission or the Securities and Exchange Commission determines it is in the public interest, however, the exception from clearing requirements shall not apply to an affiliate that is itself affiliated with: (1) a major security-based swap participant; (2) a security-based swap dealer; (3) a major swap participant; or (4) a swap dealer.

An affiliate that does qualify for the exception from clearing requirements may not enter into any swap other than to hedge or mitigate commercial risk.

The bill also prohibits the affiliate, and any person affiliated with the affiliate that is not a financial entity, from:

- entering into a swap with or on behalf of any affiliate that is a financial entity; or
- otherwise assuming, netting, combining, or consolidating the risk of swaps entered into by any such financial entity, except an affiliate that qualifies for the exception from clearing requirements.

Any swap entered into by an affiliate that qualifies for the exception from clearing requirements shall be subject to the affiliate's centralized risk management program, provided it is designed both to: (1) monitor and manage swap associated

risks, and (2) identify each affiliate upon whose behalf a swap was entered into.

Actions Timeline

- **Nov 17, 2015:** Received in the Senate and Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry.
- **Nov 16, 2015:** Reported (Amended) by the Committee on Financial Services. H. Rept. 114-311, Part II.
- **Nov 16, 2015:** Placed on the Union Calendar, Calendar No. 259.
- **Nov 16, 2015:** Mr. Hensarling moved to suspend the rules and pass the bill, as amended.
- **Nov 16, 2015:** Considered under suspension of the rules. (consideration: CR H8219-8221)
- **Nov 16, 2015:** DEBATE - The House proceeded with forty minutes of debate on H.R. 1317.
- **Nov 16, 2015:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote.(text: CR H8219-8220)
- **Nov 16, 2015:** On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote. (text: CR H8219-8220)
- **Nov 16, 2015:** Motion to reconsider laid on the table Agreed to without objection.
- **Oct 26, 2015:** Reported (Amended) by the Committee on Agriculture. H. Rept. 114-311, Part I.
- **Sep 30, 2015:** Committee Consideration and Mark-up Session Held.
- **Sep 30, 2015:** Ordered to be Reported (Amended).
- **Jul 29, 2015:** Committee Consideration and Mark-up Session Held.
- **Jul 29, 2015:** Ordered to be Reported (Amended) by the Yeas and Nays: 57 - 0.
- **Apr 29, 2015:** Hearings Held by the Subcommittee on Capital Markets and Government Sponsored Enterprises Prior to Referral.
- **Mar 23, 2015:** Referred to the Subcommittee on Commodity Exchanges, Energy, and Credit.
- **Mar 4, 2015:** Introduced in House
- **Mar 4, 2015:** 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.