

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.

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## 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

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## 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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