AMENDMENT IN THE NATURE OF A SUBSTITUTE

TO H.R. 2586

OFFERED BY MR. LUCAS OF OKLAHOMA

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the "Swap Execution Facil-

3 ity Clarification Act".

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

5 (a) COMMODITY EXCHANGE ACT.—Section 1a(50) of

6 the Commodity Exchange Act (7 U.S.C. 1a(50)) is amend-

7 ed—

8 (1) by striking "The term" and inserting the

9 following:

10 "(A) IN GENERAL.—The term";

11 (2) by redesignating subparagraphs (A) and

12 (B) as clauses (i) and (ii), respectively; and

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

14 "(B) INTERPRETATION.—In interpreting

15 or further defining the term 'swap execution fa-

16 cility', the Commission shall not require a swap

17 execution facility to—

2

1   "(i) have a minimum number of par-

2   ticipants receive a bid or offer or respond

3   to any method of trading functionality;

4   "(ii) display or delay bids or offers for

5   any period of time;

6   "(iii) limit the means of interstate

7   commerce utilized by market participants

8   to enter into and execute any swap trans-

9   actions on the method of trading

10   functionality; or

11   "(iv) require bids or offers on one

12   method of trading functionality operated

13   by the swap execution facility to interact

14   with bids or offers on another method of

15   trading functionality operated by the swap

16   execution facility.".

17 (b) SECURITIES EXCHANGE ACT OF 1934.—Section

18 3(a)(77) of the Securities Exchange Act of 1934 (15

19 U.S.C. 78c(a)(77)) is amended—

20   (1) by striking "The term" and inserting the

21 following:

22   "(A) IN GENERAL.—The term";

23   (2) by redesignating subparagraphs (A) and

24 (B) as clauses (i) and (ii), respectively; and

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

1   "(B) INTERPRETATION.—In interpreting

2 or further defining the term 'security-based

3 swap execution facility', the Commission shall

4 not require a security-based swap execution fa-

5 cility to—

6   "(i) have a minimum number of par-

7 ticipants receive a bid or offer or respond

8 to any trading system or platform

9 functionality;

10   "(ii) display or delay bids or offers for

11 any period of time;

12   "(iii) limit the means of interstate

13 commerce utilized by market participants

14 to enter into and execute any security-

15 based swap transactions on the trading

16 system or platform; or

17   "(iv) require bids or offers on one

18 trading system or platform operated by the

19 swap execution facility to interact with

20 bids or offers on another trading system or

21 platform operated by the swap execution

22 facility.".

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