

AMENDMENT TO H.R. 977

OFFERED BY MR. PETERSON OF MINNESOTA

Page 4, line 10, strike the close quotation marks.

Page 5, line 17, insert “on aggregate trading positions” after “reports”.

Page 6, line 11, srstrike “(f)” and insert “(f)(1)”.

Page 6, line 16, strike “(1)” and insert “(A)”.

Page 6, line 19, strike “(A)” and insert “(i)”.

Page 6, line 21, strike “(B)” and insert “(ii)”.

Page 6, line 23, strike “(C)” and insert “(iii)”.

Page 7, line 1, strike “(2)” and insert “(B)”.

Page 7, after line 2, insert the following:

1 “(2) Nothing in this subsection shall be con-
2 strued as implying or creating any presumption that
3 a board of trade, exchange, or market is located out-
4 side the United States, or its territories or posses-
5 sions, for purposes of subsection (a).”.

Page 8, line 9, strike “120” and insert “90”.

Page 8, line 23, strike “physical”.

Page 11, line 6, strike “provide an opportunity for notice and comment” and insert “conduct rulemaking, including an opportunity for notice and comment,”.

Page 11, after line 9, insert the following:

1 (1) Section 2(d)(1) of such Act (7 U.S.C.
2 2(d)(1)) is amended by striking “5b or 12(e)(2)(B)”
3 and inserting “4g(a), 4i, 5b, or 12(e)(2)(B), and the
4 regulations of the Commission pursuant to section
5 4i(b) requiring reporting in connection with com-
6 modity option transactions”.

Page 11, line 10, strike “(1)” and insert “(2)”.

Page 11, line 17, strike the comma, and strike “before ‘governs’” and insert “after ‘12(e)(2)(B)’”.

Page 11, line 18, strike “(2)” and insert “(3)”.

Page 11, line 25, strike the comma, and strike “before ‘shall apply’” and insert “after ‘12(e)(2)’”.

Page 12, line 1, strike “(3)” and insert “(4)”.

Page 12, line 8, strike “(4)” and insert “(5)”.

Page 12, line 18, insert “(a) POSITION LIMITS.—”
before “Section”.

Page 13, line 2, strike “physically-deliverable commodities” and insert “physical commodities other than excluded commodities”.

Page 13, line 13, strike “90” and insert “180”.

Page 13, line 16, strike “180” and insert “270”.

Page 14, beginning on line 15, strike “date of the enactment of this paragraph” and insert “establishment of position limits pursuant to paragraph (2)”.

Page 15, line 16, after “purposes of” insert “implementation of subsection (a)(2) for”.

Page 16, line 18, strike “(d),”.

Page 16, line 18, strike “(2)” and insert “(3)”.

Page 17, after line 2, insert the following:

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 5(d)(5) of such Act (7 U.S.C.
3 7(d)(5)) is amended to read as follows:

4 “(5) To reduce the potential threat of market
5 manipulation or congestion, especially during trading
6 in the delivery month, the board of trade shall adopt
7 for each of its contracts, where necessary and appropriate,
8 position limitations or position accountability
9 standards for speculators. For any contract that is

1 subject to a position limitation established by the
2 Commission pursuant to section 4a(a), the board of
3 trade shall set its position limitation at a level no
4 higher than the Commission-established limitation.”.

5 (2) Section 5a(d)(4) of such Act (7 U.S.C.
6 7a(d)(4)) is amended to read as follows:

7 “(4) To reduce the potential threat of market
8 manipulation or congestion, especially during trading
9 in the delivery month, the board of trade shall adopt
10 for each of its contracts, where necessary and appro-
11 priate, position limitations or position accountability
12 standards for speculators. For any contract that is
13 subject to a position limitation established by the
14 Commission pursuant to section 4a(a), the board of
15 trade shall set its position limitation at a level no
16 higher than the Commission-established limitation.”.

17 (3) Section 2(h)(7)(C)(ii)(IV) of such Act (7
18 U.S.C. 2(h)(7)(C)(ii)(IV)) is amended to read as fol-
19 lows:

20 “(IV) The electronic trading fa-
21 cility shall adopt, where necessary and
22 appropriate, position limitations or
23 position accountability standards for
24 speculators in significant price dis-
25 covery contracts, taking into account

1 positions in other agreements, con-
2 tracts, and transactions that are
3 treated by a derivatives clearing orga-
4 nization, whether registered or not
5 registered, as fungible with such sig-
6 nificant price discovery contracts to
7 reduce the potential threat of market
8 manipulation or congestion, especially
9 during trading in the delivery month.
10 For any contract that is subject to a
11 position limitation established by the
12 Commission pursuant to section
13 4a(a), the electronic trading facility
14 shall set its position limitation at a
15 level no higher than the Commission-
16 established limitation.”.

Page 17, line 19, after “the” insert “trading and”.

Page 18, line 23, strike “sections 2(g) and” and in-
sert “section 2(g) or”.

Page 19, line 19, strike “sections 2(g) and” and in-
sert “section 2(g) or”.

Page 24, strike lines 18 through 23 and insert the
following:

1 (6) Section 8a(9) of such Act (7 U.S.C.
2 12a(a)(9)) is amended—

3 (A) by striking “(9)” and inserting
4 “(9)(A)”; and

5 (B) by striking “action.” and inserting
6 “action; and (B) to direct any person to abide
7 by any position limits to agreements, contracts,
8 or transactions subject to section 2(j)(1) that
9 are imposed pursuant to section 2(j)(2).”.

Page 28, line 21, after “ENTITIES.—” insert “(A)”.

Page 28, beginning on line 25, strike “2(g)(4),
2(h)(1)(C), or 2(h)(3)(C)” and insert “or 2(g)(4)”.

Page 29, line 3, strike “409(b)” and insert
“409(b)(1)”.

Page 29, after line 4, insert the following:

10 “(B) An agreement, contract, or trans-
11 action, or class thereof, that would otherwise be
12 required to be settled and cleared by section
13 2(d)(1)(C), 2(d)(2)(D), 2(g)(4), 2(h)(1)(C), or
14 2(h)(3)(C) of this Act, or subsection (c)(1) of
15 this section may be settled and cleared through
16 an entity listed in section 409(b)(3) of the Fed-
17 eral Deposit Insurance Corporation Improve-
18 ment Act of 1991.”.

Page 29, line 13, after “Commission” insert “, pursuant to rules promulgated by the Commission”.

Page 29, beginning on line 25, strike “is comparable to the net capital requirement that would be associated with such a transaction were it cleared” and insert “recognizes the risks associated with the absence of clearing”.

Page 34, line 11, strike “Commission” and insert “Commodity”.

Page 38, line 4, after “shall” insert “—(A)”.

Page 38, line 7, strike the period, the close quotation marks and the following period and insert a semicolon.

Page 38, after line 7, insert the following:

1 “(B) only apply to credit default swaps
2 that are related to securities subject to a short
3 selling suspension order by the Securities and
4 Exchange Commission, and such action must
5 terminate when such suspension order termi-
6 nates; and

7 “(C) only apply to credit default swaps
8 purchased by persons who are not purchasing
9 the credit default swap to reduce an existing

1 credit risk directly related to the reference enti-
2 ty or its obligations.”.

Page 38, line 12, strike “insures” and insert
“hedges”.

Page 38, line 16, after “that” insert “is proposed to
be traded or”.

Page 38, line 17, after “or” insert “proposed to be
or is”.

Page 38, line 17, after “entity” insert “pursuant to
this Act”.

