

H.R. 1573
Section-by-Section

Section 1 delays the effective date of most of Title VII of the Dodd Frank Act from July of this year until December 31, 2012. To allow industry to plan and prepare, the effective dates for the definition of a swap dealer, major swap participant (and its security-based counterpart), eligible contract participant and security based swap agreement are not extended. Neither are the effective dates for regulatory reporting or the prohibition on trading box office receipt future contracts.

Section 2 requires the regulators to conduct public hearings and solicit public comment from affected parties regarding time and resources necessary to comply with any rules or regulations and alternative approaches capable of accomplishing the rulemaking objectives. The regulators then need to take the information received and account for when performing a cost-benefit analysis.

Section 3 gives the regulators the authority to exempt persons or entities from registration or related regulatory requirements if the entity is subject to comprehensive supervision and regulation under a regulatory scheme administered by another regulatory agency or, if a foreign based entity, the appropriate regulatory authority in their home country, that is comparable to the relevant provisions under Dodd-Frank; there is an adequate information sharing arrangement in effect between the CFTC or SEC and that regulatory authority; and the exemption is consistent with the public interest.

It also gives the CFTC and SEC authority to safeguard against misuse of the exemption by conditioning any exemptions they move to grant on that entity's compliance with the alternate regulatory regime. Should any noncompliance with that regime occur, the Commissions would have the authority to treat it as a violation of the corresponding provisions of Dodd-Frank, triggering any relevant enforcement actions.