

AMENDMENT TO H.R. 4895

OFFERED BY MR. PETERSON OF MINNESOTA

Page 27, strike lines 16 and 17.

Page 27, line 18, strike “(2)” and insert “(1)”.

Page 27, line 24, strike “(3)” and insert “(2)”.

Page 30, beginning on line 1, strike “**FRAUD, MAMIPULATION, AND DISRUPTIVE TRADING**” and insert “**FRAUD AND MANIPULATION**”.

Page 37, strike line 3 and all that follows through page 38, line 9, and insert the following:

1 “(2) POLICIES.—With regard to proprietary in-
2 formation it obtains or receives, the Commission
3 shall adopt policies, as determined by the Commis-
4 sion, after notice and comment, to—

5 “(A) address circumstances when the Com-
6 mission requests proprietary information;

7 “(B) safeguard the information, taking
8 into consideration the level of sensitivity of the
9 information;

1 “(C) limit access to the information to ap-
2 propriate staff, as determined by the Commis-
3 sion; and

4 “(D) protect the information from unlaw-
5 ful use or disclosure.

6 “(3) SHARING.—To the extent the Commission
7 adopts rules or regulations, pursuant to paragraph
8 (1), regarding the sharing of such proprietary infor-
9 mation with other governmental entities, the Com-
10 mission shall receive assurances that such other gov-
11 ernmental entity shall maintain sufficient safeguards
12 consistent with—

13 “(A) policies that achieve the objectives of
14 subparagraphs (B), (C), and (D) of paragraph
15 (2) of this subsection; and

16 “(B) the limitations set forth in para-
17 graphs (2), (3), and (4) of subsection (e) con-
18 cerning the confidentiality of any such informa-
19 tion received.”.

Page 47, beginning on line 21, strike “any request”
and insert “the rules or procedures”.

Page 55, line 13, strike “advisor” and insert “inves-
tor”.

Page 58, after line 15, insert the following:

1 **SEC. _____. RESPONSE TO FOREIGN REGULATORY AUTHOR-**
2 **ITY.**

3 Where a foreign authority seeks to assert direct su-
4 pervisory authority over derivatives clearing organizations
5 domiciled in the United States, the Commodity Futures
6 Trading Commission should review the appropriateness of
7 the exemptions granted to foreign entities, including clear-
8 inghouses, under the jurisdiction of the foreign authority.

9 **SEC. _____. AFFILIATE CONDITIONS.**

10 Section 2(h)(7)(D)(iv) of the Commodity Exchange
11 Act (7 U.S.C. 2(h)(7)(D)(iv)) is amended—

12 (1) in subclause (I), by striking “risk; and” and
13 inserting “risk, unless the affiliate can demonstrate
14 to the Commission, as determined by the Commis-
15 sion, that—

16 “(aa) the affiliate has uti-
17 lized the exception in clause (i)
18 only to hedge or mitigate com-
19 mercial risk; and

20 “(bb) the affiliate complies,
21 as a financial entity, with the ob-
22 ligations of the affiliate with re-
23 spect to any swap for which the
24 exception in clause (i) is not ex-
25 ercised; and”;

1 (2) in subclause (II), by striking “neither the
2 affiliate nor any person affiliated with the affiliate
3 that is not a financial entity” and inserting “neither
4 the affiliate that qualifies for the exception in clause
5 (i) nor any person affiliated with the affiliate, that
6 is directly or indirectly wholly- or majority-owned by
7 the same ultimate parent, and that enters into
8 swaps with the affiliate”.

