

113TH CONGRESS  
1ST SESSION

# H. R. 1341

To require the Financial Stability Oversight Council to conduct a study of the likely effects of the differences between the United States and other jurisdictions in implementing the derivatives credit valuation adjustment capital requirement.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2013

Mr. FINCHER 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 require the Financial Stability Oversight Council to conduct a study of the likely effects of the differences between the United States and other jurisdictions in implementing the derivatives credit valuation adjustment capital requirement.

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 “Financial Competitive  
5 Act of 2013”.

1 **SEC. 2. STUDY OF IMPLEMENTATION OF BASEL III CAPITAL**  
2 **REQUIREMENTS RELATED TO DERIVATIVES**  
3 **EXPOSURES.**

4 (a) STUDY.—The Financial Stability Oversight Coun-  
5 cil shall conduct a study of the likely effects that dif-  
6 ferences between the United States and other jurisdictions  
7 in implementing the derivatives credit valuation adjust-  
8 ment (in this section referred to as “CVA”) capital re-  
9 quirement would have on—

10 (1) United States financial institutions that  
11 conduct derivatives transactions and participate in  
12 derivatives markets;

13 (2) end users of derivatives; and

14 (3) international derivatives markets.

15 (b) CONTENT.—The study required by subsection (a)  
16 shall include—

17 (1) an assessment of—

18 (A) the extent to which there are dif-  
19 ferences in the approaches that the United  
20 States and other jurisdictions are taking re-  
21 garding implementation of the CVA capital re-  
22 quirement, and the nature of the differences;

23 (B) the impact that the differences would  
24 have on—

25 (i) United States financial institutions  
26 that conduct derivatives transactions and

1 participate in derivatives markets, includ-  
2 ing their ability to serve end users of de-  
3 rivatives;

4 (ii) pricing and other costs of, and  
5 services available to, end users of deriva-  
6 tives in the United States and other juris-  
7 dictions; and

8 (iii) the competitiveness of United  
9 States financial institutions and United  
10 States derivatives markets, including the  
11 extent to which differences in the CVA  
12 capital requirement could shift derivatives  
13 business among jurisdictions; and

14 (C) the interaction between differing CVA  
15 capital requirements and margin rules; and

16 (2) recommendations regarding steps that the  
17 Congress and the Federal financial regulatory agen-  
18 cies that comprise the Financial Stability Oversight  
19 Council should take to—

20 (A) minimize any expected negative effects  
21 on United States financial institutions, deriva-  
22 tives markets, and end users; and

23 (B) encourage greater international con-  
24 sistency in implementation of internationally

1           agreed capital, liquidity, and other prudential  
2           standards.

3           (c) REPORT.—No later than 90 days after the date  
4 of the enactment of this Act, the Financial Stability Over-  
5 sight Council shall submit a written report containing the  
6 results of the study to the Chairman and ranking minority  
7 member of the Committees on Agriculture and Financial  
8 Services of the House of Representatives, and the Chair-  
9 man and ranking minority member of the Committees on  
10 Agriculture, Nutrition, and Forestry, and Banking, Hous-  
11 ing, and Urban Affairs of the Senate.

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