

113TH CONGRESS
1ST SESSION

H. R. 1341

IN THE SENATE OF THE UNITED STATES

JULY 9, 2013

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Financial Competitive
3 Act of 2013”.

4 **SEC. 2. STUDY OF IMPLEMENTATION OF BASEL III CAPITAL**
5 **REQUIREMENTS RELATED TO DERIVATIVES**
6 **EXPOSURES.**

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

13 (1) United States financial institutions that
14 conduct derivatives transactions and participate in
15 derivatives markets;

16 (2) end users of derivatives; and

17 (3) international derivatives markets.

18 (b) CONTENT.—The study required by subsection (a)
19 shall include—

20 (1) an assessment of—

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

1 (B) the impact that the differences would
2 have on—

3 (i) United States financial institutions
4 that conduct derivatives transactions and
5 participate in derivatives markets, includ-
6 ing their ability to serve end users of de-
7 rivatives;

8 (ii) pricing and other costs of, and
9 services available to, end users of deriva-
10 tives in the United States and other juris-
11 dictions; and

12 (iii) the competitiveness of United
13 States financial institutions and United
14 States derivatives markets, including the
15 extent to which differences in the CVA
16 capital requirement could shift derivatives
17 business among jurisdictions; and

18 (C) the interaction between differing CVA
19 capital requirements and margin rules; and

20 (2) recommendations regarding steps that the
21 Congress and the Federal financial regulatory agen-
22 cies that comprise the Financial Stability Oversight
23 Council should take to—

1 (A) minimize any expected negative effects
2 on United States financial institutions, deriva-
3 tives markets, and end users;

4 (B) encourage greater international con-
5 sistency in implementation of internationally
6 agreed capital, liquidity, and other prudential
7 standards; and

8 (C) ensure that the Financial Stability
9 Oversight Council fulfills its statutory mandate
10 to identify risks and respond to emerging
11 threats to financial stability.

12 (c) REPORT.—No later than 90 days after the date
13 of the enactment of this Act, the Financial Stability Over-
14 sight Council shall submit a written report containing the
15 results of the study to the Chairman and ranking minority
16 member of the Committees on Agriculture and Financial
17 Services of the House of Representatives, and the Chair-
18 man and ranking minority member of the Committees on
19 Agriculture, Nutrition, and Forestry, and Banking, Hous-
20 ing, and Urban Affairs of the Senate.

Passed the House of Representatives July 8, 2013.

Attest:

KAREN L. HAAS,

Clerk.