

# Union Calendar No. 96

113TH CONGRESS  
1ST SESSION

# H. R. 1341

**[Report No. 113–134, Part I]**

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

JUNE 28, 2013

Additional sponsors: Mr. DAVID SCOTT of Georgia, Mr. GRIMM, Mr. HUIZENGA of Michigan, and Mr. GRAVES of Georgia

JUNE 28, 2013

Reported from the Committee on Financial Services with amendments

[Omit the part struck through and insert the part printed in *italic*]

JUNE 28, 2013

The Committee on Agriculture discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# **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”.

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

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

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

18           (2) end users of derivatives; and

19           (3) international derivatives markets.

20       (b) CONTENT.—The study required by subsection (a)  
21 shall include—

22           (1) an assessment of—

23                   (A) the extent to which there are dif-  
24       ferences in the approaches that the United  
25       States and other jurisdictions are taking re-

1            regarding implementation of the CVA capital re-  
2            quirement, and the nature of the differences;

3            (B) the impact that the differences would  
4            have on—

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

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

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

20           (C) the interaction between differing CVA  
21           capital requirements and margin rules; and

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

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

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 threats*  
11 *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.

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113<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

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