II

113TH CONGRESS
2D SESSION

S. 2601

To amend the Commodity Exchange Act to ensure futures commission merchant compliance.

IN THE SENATE OF THE UNITED STATES

JULY 15, 2014

Mr. ROBERTS (for himself and Ms. HEITKAMP) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Commodity Exchange Act to ensure futures commission merchant compliance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Risk Hedging Protection Act of 2014".

SEC. 2. FUTURES COMMISSION MERCHANT COMPLIANCE.

(a) IN GENERAL.—Section 4d(a) of the Commodity Exchange Act (7 U.S.C. 6d(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(2) by striking ''SEC. 4d'' and all that follows through ''It shall be unlawful'' and inserting the following:

''SEC. 4d. DEALING BY UNREGISTERED FUTURES COMMISSION MERCHANTS OR INTRODUCING MERCHANTS PROHIBITED.

''(a) REGISTRATION REQUIREMENTS AND DUTIES.—

''(1) IN GENERAL.—It shall be unlawful''; and

(3) by adding at the end the following:

''(2) RESIDUAL INTEREST REQUIREMENT.—Any rules or regulations requiring a futures commission merchant to maintain a residual interest in accounts held for the benefit of customers in amounts at least sufficient to exceed the sum of all uncollected margin deficits of the customers shall provide that a futures commission merchant shall meet the residual interest requirement as of the end of each business day calculated as of the close of business on the previous business day.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 4d of the Commodity Exchange Act (7 U.S.C. 6d) is amended—

(A) in subsection (b), by striking ‘‘paragraph (2) of this section’’ and inserting ‘‘subsection (a)(1)(B)’’; and

(B) in subsection (h), by striking ‘‘Notwithstanding subsection (a)(2)’’ and inserting ‘‘Notwithstanding subsection (a)(1)(B)’’.

(2) Section 15(c)(3)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(3)(C)) is amended by striking ‘‘4d(a)(2)’’ and inserting ‘‘4d(a)(1)(B)’’.

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