

103^D CONGRESS
2^D SESSION

H. R. 4745

To provide a framework for Securities and Exchange Commission supervision and regulation of derivatives activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1994

Mr. MARKEY (for himself and Mr. SYNAR) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To provide a framework for Securities and Exchange Commission supervision and regulation of derivatives activities, and for other purposes.

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 “Derivatives Dealers
5 Act of 1994”.

6 **SEC. 2. DEFINITIONS.**

7 Section 3(a) of the Securities Exchange Act of 1934
8 (15 U.S.C. 78c(a)) is amended by adding at the end the
9 following new paragraphs:

1 “(53) The term ‘derivative’ means any financial
2 contract or other instrument that derives its value
3 from the value or performance of any security, cur-
4 rency exchange rate, or interest rate (or group or
5 index thereof), but does not include—

6 “(A) any security that is traded on a na-
7 tional securities exchange or on an automated
8 interdealer quotation system sponsored by a se-
9 curities association registered under section
10 15A of this title;

11 “(B) any forward contract which has a
12 maturity at the time of issuance not exceeding
13 270 days;

14 “(C) any contract of sale of a commodity
15 for future delivery, or any option on such a con-
16 tract, traded or executed on a designated con-
17 tract market and subject to regulation under
18 the Commodity Exchange Act; or

19 “(D) any deposit held by a financial insti-
20 tution.

21 “(54) The term ‘derivatives dealer’ means any
22 person engaged in the business of buying, selling, or
23 entering into derivatives for his own account, but
24 does not include—

1 “(A) any person insofar as such person
2 buys, sells, or enters into derivatives for his own
3 account, either individually or in a fiduciary ca-
4 pacity, but not as part of a regular business; or

5 “(B) any financial institution.

6 “(55) The term ‘material associated person’
7 means any associated person of a broker, dealer,
8 government securities broker, government securities
9 dealer, municipal securities dealer, or derivatives
10 dealer (other than a natural person) whose business
11 activities are reasonably likely to have a material im-
12 pact on the financial or operational condition of any
13 such broker, dealer, government securities broker,
14 government securities dealer, municipal securities
15 dealer, or derivatives dealer, including on its net
16 capital, its liquidity, or its ability to conduct or fi-
17 nance its operations.

18 “(56) The term ‘person associated with a de-
19 rivatives dealer’ or ‘associated person of a deriva-
20 tives dealer’ means any partner, officer, director, or
21 branch manager of such derivatives dealer (or any
22 person occupying a similar status or performing
23 similar functions), and any other employee of such
24 derivatives dealer who is engaged in the manage-
25 ment, direction, supervision, or performance of any

1 activities relating to derivatives, and any person di-
2 rectly or indirectly controlling, controlled by, or
3 under common control with such derivatives dealer.

4 “(57) The term ‘designated examining author-
5 ity’ means the national securities exchange or reg-
6 istered securities association of which a registered
7 broker or dealer is a member, and if such broker or
8 dealer is a member of more than 1 such self-regu-
9 latory organization, the organization designated by
10 the Commission as the principal examining authority
11 for such broker or dealer.”.

12 **TITLE I—DERIVATIVES DEALERS**

13 **SEC. 101. DERIVATIVES DEALER REGISTRATION.**

14 The Securities Exchange Act of 1934 is hereby
15 amended by inserting after section 15C (15 U.S.C. 780-
16 5) the following new section:

17 **“SEC. 15D. DERIVATIVES DEALERS.**

18 “(a) REGISTRATION REQUIRED.—

19 “(1) REGISTRATION OF DERIVATIVES DEAL-
20 ERS.—

21 “(A) REGISTRATION REQUIREMENT.—It
22 shall be unlawful for any derivatives dealer
23 (other than a registered broker or dealer, or a
24 material associated person of a registered
25 broker or dealer that has filed notice in accord-

1 ance with subparagraph (B) of this paragraph)
2 to make use of the mails or any means or in-
3 strumentality of interstate commerce to effect
4 any transaction in, or to induce or attempt to
5 induce the purchase or sale of, any derivative
6 unless such derivatives dealer is registered in
7 accordance with paragraph (2) of this sub-
8 section.

9 “(B) MATERIAL ASSOCIATED PERSONS OF
10 BROKERS AND DEALERS.—

11 “(i) NOTICE REQUIREMENT.—It shall
12 be unlawful for any derivatives dealer that
13 is a material associated person of a reg-
14 istered broker or dealer (other than a ma-
15 terial associated person of a registered
16 broker or dealer that is itself a registered
17 broker or dealer, or a derivatives dealer
18 that is registered in accordance with para-
19 graph (2) of this subsection) to make use
20 of the mails or any means or instrumentality
21 of interstate commerce to effect any
22 transaction in, or to induce or attempt to
23 induce the purchase or sale of, any deriva-
24 tive unless such derivatives dealer has filed
25 with the Commission written notice that it

1 is a derivatives dealer. When such a de-
2 rivatives dealer ceases to act as such it
3 shall file with the Commission a written
4 notice that it is no longer acting as a de-
5 rivatives dealer.

6 “(ii) FORM OF NOTICE.—Such notices
7 shall be in such form and contain such in-
8 formation concerning a derivatives dealer
9 and any persons associated with such de-
10 rivatives dealer as the Commission shall,
11 by rule, prescribe as necessary or appro-
12 priate in the public interest or for the pro-
13 tection of investors.

14 “(2) REGISTRATION PROCEDURE.—A deriva-
15 tives dealer subject to the registration requirement
16 of paragraph (1)(A) of this subsection may be reg-
17 istered by filing with the Commission an application
18 for registration in such form and containing such in-
19 formation and documents concerning such deriva-
20 tives dealer and any of its associated persons as the
21 Commission, by rule, may prescribe as necessary or
22 appropriate in the public interest or for the protec-
23 tion of investors. Within 45 days of the date of filing
24 of such application (or within such longer period as

1 to which the applicant consents), the Commission
2 shall—

3 “(A) by order grant registration, or

4 “(B) institute proceedings to determine
5 whether registration should be denied. Such
6 proceedings shall include notice of the grounds
7 for denial under consideration and opportunity
8 for hearing and shall be concluded within 120
9 days of the date of the filing of the application
10 for registration. At the conclusion of such pro-
11 ceedings, the Commission, by order, shall grant
12 or deny such registration. The order granting
13 registration shall not be effective until such de-
14 rivatives dealer has become a member of a secu-
15 rities association registered under section 15A
16 of this title, unless the Commission has exempt-
17 ed such derivatives dealer, by rule or order,
18 from such membership. The Commission may
19 extend the time for the conclusion of such pro-
20 ceedings for up to 90 days if it finds good cause
21 for such extension and publishes its reasons for
22 so finding or for such longer period as to which
23 the applicant consents.

24 The Commission shall grant the registration of a de-
25 rivatives dealer if the Commission finds that the re-

1 requirements of this section are satisfied. The Com-
2 mission shall deny such registration if it does not
3 make such a finding or if it finds that if the appli-
4 cant were so registered, its registration would be
5 subject to suspension or revocation under subsection
6 (c) of this section.

7 “(3) PROHIBITED CONDUCT.—Any provision of
8 this title (other than section 5 or paragraph (1) of
9 this subsection) which prohibits any act, practice, or
10 course of business if the mails or any means or in-
11 strumentality of interstate commerce is used in con-
12 nection therewith shall also prohibit any such act,
13 practice, or course of business by any derivatives
14 dealer registered or having filed notice under para-
15 graph (1) of this subsection or any person acting on
16 behalf of such derivatives dealer, irrespective of any
17 use of the mails or any means or instrumentality of
18 interstate commerce in connection therewith.

19 “(4) EXEMPTIONS.—The Commission, by rule
20 or order, upon the Commission’s own motion or
21 upon application, may conditionally or uncondition-
22 ally exempt any derivatives dealer, or class of deriva-
23 tives dealers, from any provision of this section, or
24 the rules thereunder, if the Commission finds that
25 such exemption is consistent with the public interest,

1 the protection of investors, and the purposes of this
2 title.

3 “(b) RULES.—

4 “(1) AUTHORITY.—The Commission shall pro-
5 pose and adopt rules to effect the purposes of this
6 title with respect to transactions in derivatives ef-
7 fected by derivatives dealers registered or required to
8 register under subsection (a)(1)(A) of this section as
9 follows:

10 “(A) FINANCIAL RESPONSIBILITY.—Such
11 rules shall provide safeguards with respect to
12 the financial responsibility and related practices
13 of such derivatives dealers including, but not
14 limited to, capital adequacy standards and the
15 carrying and use of customers’ deposits or cred-
16 it balances.

17 “(B) REPORTS.—Such rules shall require
18 every such derivatives dealer to make reports to
19 and furnish copies of records to the Commis-
20 sion, and to file with the Commission, annually
21 or more frequently, a balance sheet and income
22 statement certified by an independent public ac-
23 countant, prepared on a calendar or fiscal year
24 basis, and such other financial statements
25 (which shall, as the Commission specifies, be

1 certified) and information concerning its finan-
2 cial condition as required by such rules.

3 “(C) RECORDKEEPING.—Such rules shall
4 require records to be made and kept by such
5 derivatives dealers and shall specify the periods
6 for which such records shall be preserved.

7 “(2) AUTHORITY TO LIMIT DISCLOSURE OF IN-
8 FORMATION.—Notwithstanding any other provision
9 of law, the Commission shall not be compelled to
10 disclose any information required to be kept or re-
11 ported under rules adopted under paragraph (1) of
12 this subsection. Nothing in this paragraph shall au-
13 thorize the Commission to withhold information
14 from Congress, or prevent the Commission from
15 complying with a request for information from any
16 other Federal department or agency requesting the
17 information for purposes within the scope of its ju-
18 risdiction, or complying with an order of a court of
19 the United States in an action brought by the
20 United States or the Commission. For purposes of
21 section 552 of title 5, United States Code, this para-
22 graph shall be considered a statute described in sub-
23 section (b)(3)(B) of such section 552.

24 “(3) FRAUDULENT ACTS AND PRACTICES.—
25 With respect to any derivatives dealer, the Commis-

1 sion may, by rule or regulation define, and prescribe
2 means reasonably designed to prevent, such acts and
3 practices as are fraudulent, deceptive, or manipula-
4 tive.

5 “(4) COMPLIANCE WITH RULES UNDER THIS
6 SECTION.—No derivatives dealer shall make use of
7 the mails or any means or instrumentality of inter-
8 state commerce to effect any transaction in, or to in-
9 duce or attempt to induce the purchase or sale of,
10 any derivative in contravention of any rule under
11 this section.

12 “(c) ENFORCEMENT BY THE COMMISSION.—

13 “(1) ADMINISTRATIVE POWERS TO IMPOSE
14 SANCTIONS.—With respect to any derivatives dealer
15 registered or required to register under subsection
16 (a)(1)(A) of this section—

17 “(A) DERIVATIVES DEALERS.—The Com-
18 mission, by order, shall censure, place limita-
19 tions on the activities, functions, or operations
20 of, suspend for a period not exceeding 12
21 months, or revoke the registration of such de-
22 rivatives dealer, if it finds, on the record after
23 notice and opportunity for hearing, that such
24 censure, placing of limitations, suspension, or
25 revocation is in the public interest and that

1 such derivatives dealer, or any person associ-
2 ated with such derivatives dealer (whether prior
3 or subsequent to becoming so associated), has
4 committed or omitted any act or omission enu-
5 merated in subparagraph (A), (D), (E), or (G)
6 of paragraph (4) of section 15(b) of this title,
7 has been convicted of any offense specified in
8 subparagraph (B) of such paragraph (4) within
9 10 years of the commencement of the proceed-
10 ings under this paragraph, or is enjoined from
11 any action, conduct, or practice specified in
12 subparagraph (C) of such paragraph (4).

13 “(B) SUSPENSION OR WITHDRAWAL PEND-
14 ING FINAL DETERMINATION.—Pending final de-
15 termination whether registration of any deriva-
16 tives dealer shall be revoked, the Commission,
17 by order, may suspend such registration, if such
18 suspension appears to the Commission, after
19 notice and opportunity for hearing, to be nec-
20 essary or appropriate in the public interest or
21 for the protection of investors. Any registered
22 derivatives dealer may, upon such terms and
23 conditions as the Commission may deem nec-
24 essary in the public interest or for the protec-
25 tion of investors, withdraw from registration by

1 filing a written notice of withdrawal with the
2 Commission. If the Commission finds that any
3 registered derivatives dealer is no longer in ex-
4 istence or has ceased to do business as a deriva-
5 tives dealer, the Commission, by order, shall
6 cancel the registration of such derivatives deal-
7 er.

8 “(C) ASSOCIATED PERSONS.—The Com-
9 mission, by order, shall censure or place limita-
10 tions on the activities or functions of any per-
11 son associated, or seeking to become associated,
12 with a derivatives dealer registered or required
13 to register under subsection (a)(1)(A) of this
14 section or suspend for a period not exceeding
15 12 months or bar any such person from being
16 associated with such a derivatives dealer, if the
17 Commission finds, on the record after notice
18 and opportunity for hearing, that such censure,
19 placing of limitations, suspension, or bar is in
20 the public interest and that such person has
21 committed or omitted any act or omission enu-
22 merated in subparagraph (A), (D), (E), or (G)
23 of paragraph (4) of section 15(b) of this title,
24 has been convicted of any offense specified in
25 subparagraph (B) of such paragraph (4) within

1 10 years of the commencement of the proceed-
2 ings under this paragraph, or is enjoined from
3 any action, conduct, or practice specified in
4 subparagraph (C) of such paragraph (4).

5 “(2) PERSONS SUSPENDED OR BARRED FROM
6 ASSOCIATION.—It shall be unlawful for any person
7 as to whom an order entered pursuant to paragraph
8 (1) of this subsection suspending or barring him
9 from being associated with a derivatives dealer is in
10 effect willfully to become, or to be, associated with
11 a derivatives dealer without the consent of the Com-
12 mission, and it shall be unlawful for any derivatives
13 dealer to permit such a person to become, or remain,
14 a person associated with it without the consent of
15 the Commission, if such derivatives dealer knew, or,
16 in the exercise of reasonable care should have
17 known, of such order.

18 “(d) EXAMINATION OF RECORDS.—All records of a
19 derivatives dealer registered or required to register under
20 subsection (a)(1)(A) of this section, or that has filed notice
21 or is required to file notice under subsection (a)(1)(B) of
22 this section, are subject at any time, or from time to time,
23 to such reasonable periodic, special, or other examinations
24 by representatives of the Commission as the Commission
25 deems necessary or appropriate in the public interest, for

1 the protection of investors, or otherwise in furtherance of
2 the purposes of this title.

3 “(e) SECURITIES ASSOCIATION MEMBERSHIP.—

4 “(1) MEMBERSHIP REQUIREMENT.—It shall be
5 unlawful for any derivatives dealer registered or re-
6 quired to register with the Commission under sub-
7 section (a)(1)(A) of this section to effect any trans-
8 action in, or induce or attempt to induce the pur-
9 chase or sale of, any derivative, unless such deriva-
10 tives dealer is a member of a securities association
11 registered under section 15A of this title.

12 “(2) EXEMPTION.—The Commission, by rule or
13 order, as it deems consistent with the public interest
14 and the protection of investors, may conditionally or
15 unconditionally exempt from paragraph (1) of this
16 subsection any derivatives dealer or class of deriva-
17 tives dealers specified in such rule or order.”.

18 **TITLE II—BROKER-DEALER**

19 **OVERSIGHT REFORMS**

20 **SEC. 201. DERIVATIVES ON SECURITIES.**

21 Section 3(a)(10) of the Securities Exchange Act of
22 1934 (15 U.S.C. 78c(a)(10)) is amended by inserting “de-
23 rivative,” after “any put, call, straddle, option,” the first
24 place it appears.

1 **SEC. 202. NATIONAL SECURITIES EXCHANGES.**

2 Section 6 of the Securities Exchange Act of 1934 (15
3 U.S.C. 78f) is amended by adding at the end the following
4 new subsection:

5 “(g) A national securities exchange may adopt and
6 implement rules applicable to members of such exchange,
7 and material associated persons that have filed notice or
8 are required to file notice under section 15D(a)(1)(B) of
9 this title and that are associated with members for which
10 the exchange is the designated examining authority, who
11 engage in transactions in derivatives—

12 “(1) to enforce compliance with applicable pro-
13 visions of this title and the rules and regulations
14 thereunder;

15 “(2) to provide that any such person shall be
16 appropriately disciplined for violations of applicable
17 provisions of this title and the rules and regulations
18 thereunder;

19 “(3) to provide for reasonable inspection and
20 examination of the books and records of any such
21 person;

22 “(4) to prevent fraudulent and manipulative
23 acts and practices;

24 “(5) to promote just and equitable principles of
25 trade; and

1 “(6) to require the establishment of, and adher-
2 ence to, appropriate internal controls structures.”.

3 **SEC. 203. FINANCIAL RESPONSIBILITY.**

4 Section 15(c)(3) of the Securities Exchange Act of
5 1934 (15 U.S.C. 78o(c)(3)) is amended—

6 (1) by striking “and” at the end of clause (A);
7 and

8 (2) by inserting after “requirements for all bro-
9 kers and dealers” the following: “, and (C) require
10 the maintenance of sufficient capital levels taking
11 into account the financial activities conducted by,
12 the customary sources of capital and funding of, and
13 the credit risk and aggregate leverage of, any deriva-
14 tives dealer that is a material associated person of
15 the broker or dealer and that has filed notice or is
16 required to file notice under section 15D(a)(1)(B) of
17 this title”.

18 **SEC. 204. REGISTERED SECURITIES ASSOCIATION.**

19 Section 15A of the Securities Exchange Act of 1934
20 (15 U.S.C. 78o-3) is hereby amended by adding at the
21 end the following new subsection:

22 “(j) A registered securities association may adopt and
23 implement rules applicable to members of such associa-
24 tion, and material associated persons that have filed notice
25 or are required to file notice under section 15D(a)(1)(B)

1 of this title and that are associated with members for
2 which the association is the designated examining author-
3 ity, who engage in transactions in derivatives—

4 “(1) to enforce compliance with applicable pro-
5 visions of this title and the rules and regulations
6 thereunder;

7 “(2) to provide that any such person shall be
8 appropriately disciplined, in accordance with sub-
9 sections (b)(7), (b)(8), and (h) of this section, for
10 violations of applicable provisions of this title and
11 the rules and regulations thereunder;

12 “(3) to provide for reasonable inspection and
13 examination of the books and records of any such
14 person;

15 “(4) to prevent fraudulent and manipulative
16 acts and practices;

17 “(5) to promote just and equitable principles of
18 trade; and

19 “(6) to require the establishment of, and adher-
20 ence to, appropriate internal controls structures.”.

21 **SEC. 205. RISK ASSESSMENT FOR GOVERNMENT SECURI-**
22 **TIES BROKERS AND DEALERS.**

23 Section 15C(b)(2) of the Securities Exchange Act of
24 1934 (15 U.S.C. 78o-5(b)(2)) is amended by striking sub-
25 paragraphs (A) and (B) and inserting the following:

1 “(A) OBLIGATIONS TO OBTAIN, MAINTAIN, AND
2 REPORT INFORMATION.—Every person who is reg-
3 istered as a government securities broker or govern-
4 ment securities dealer under this section shall obtain
5 such information and make and keep such records
6 as the Secretary by rule prescribes concerning (i) the
7 registered person’s policies, procedures, or systems
8 for monitoring and controlling financial and oper-
9 ational risks to it resulting from the activities of any
10 of its associated persons, other than a natural per-
11 son, and (ii) with respect to any of its material asso-
12 ciated persons, such material associated person’s fi-
13 nancial activities, including trading activity in any
14 financial, securities, or derivatives market. Such
15 records shall be in such form as the Secretary shall
16 prescribe and shall include such information as may
17 be necessary to evaluate any effect that such mate-
18 rial associated person’s activities may have on any
19 financial, securities, or derivatives market, or any
20 participant in such market. The Secretary, by rule
21 or order, may require reports of such information to
22 be filed with the registered person’s appropriate reg-
23 ulatory agency at such intervals as the Secretary
24 prescribes as necessary or appropriate in the public

1 interest, for the protection of investors, or otherwise
2 in furtherance of the purposes of this title.

3 “(B) AUTHORITY TO REQUIRE ADDITIONAL IN-
4 FORMATION.—If the appropriate regulatory agency
5 concludes that it has concerns regarding the finan-
6 cial or operational condition of any government secu-
7 rities broker or government securities dealer reg-
8 istered under this section or concerns regarding ac-
9 tivities affecting the stability or integrity of the secu-
10 rities or derivatives markets, such agency may re-
11 quire the registered person to make reports concern-
12 ing the financial, securities, and derivatives activities
13 of any of such person’s material associated persons.
14 The appropriate regulatory agency, in requiring re-
15 ports pursuant to this subparagraph, shall specify
16 the information required, the period for which it is
17 required, the time and date on which the informa-
18 tion must be furnished, and whether the information
19 is to be furnished directly to the appropriate regu-
20 latory agency or to the designated examining author-
21 ity for such person.”.

22 **SEC. 206. RISK ASSESSMENT FOR BROKERS AND DEALERS.**

23 Section 17(h) of the Securities Exchange Act of 1934
24 (15 U.S.C. 78q(h)) is amended by striking paragraphs (1)
25 and (2) and inserting the following:

1 “(1) OBLIGATION TO OBTAIN, MAINTAIN, AND
2 REPORT INFORMATION.—Every person who is (A) a
3 registered broker or dealer, or (B) a registered mu-
4 nicipal securities dealer for which the Commission is
5 the appropriate regulatory agency, shall obtain such
6 information and make and keep such records as the
7 Commission by rule prescribes concerning (i) the
8 registered person’s policies, procedures, or systems
9 for monitoring and controlling financial and oper-
10 ational risks to it resulting from the activities of any
11 of its associated persons, other than a natural per-
12 son, and (ii) with respect to any of its material asso-
13 ciated persons, such material associated person’s fi-
14 nancial activities, including trading activity in any
15 financial, securities, or derivatives market. Such
16 records shall be in such form as the Commission
17 shall prescribe and shall include such information as
18 may be necessary to evaluate any effect that such
19 material associated person’s activities may have on
20 any financial, securities, or derivatives market, or
21 any participant in such market. The Commission, by
22 rule or order, may require reports of such informa-
23 tion to be filed with the Commission at such inter-
24 vals as the Commission prescribes as necessary or
25 appropriate in the public interest, for the protection

1 of investors, or otherwise in furtherance of the pur-
2 poses of this title.

3 “(2) AUTHORITY TO REQUIRE ADDITIONAL IN-
4 FORMATION.—If the Commission concludes that it
5 has concerns regarding the financial or operational
6 condition of (A) any registered broker or dealer, or
7 (B) any registered municipal securities dealer, gov-
8 ernment securities broker, or government securities
9 dealer for which the Commission is the appropriate
10 regulatory agency, or concerns regarding activities
11 affecting the stability or integrity of the securities or
12 derivatives markets, the Commission may require
13 the registered person to make reports concerning the
14 financial, securities, and derivatives activities of any
15 of such person’s material associated persons. The
16 Commission, in requiring reports pursuant to this
17 paragraph, shall specify the information required,
18 the period for which it is required, the time and date
19 on which the information must be furnished, and
20 whether the information is to be furnished directly
21 to the Commission or to the designated examining
22 authority for such person.”.

1 **SEC. 207. RULES, REGULATIONS, AND ORDERS; ANNUAL RE-**
2 **PORTS.**

3 Section 23(a)(1) of the Securities Exchange Act of
4 1934 (15 U.S.C. 78w(a)(1)) is amended by inserting “de-
5 rivatives,” after “and may for such purposes classify per-
6 sons, securities,”.

7 **SEC. 208. CONFORMING AMENDMENTS.**

8 Section 3(a)(48) of the Securities Exchange Act of
9 1934 (15 U.S.C. 78c(a)(48)) is amended to read as fol-
10 lows:

11 “(48) The term ‘registered broker or dealer’
12 means a broker or dealer registered or required to
13 register pursuant to section 15 or 15B of this title,
14 except that—

15 “(A) in paragraph (3)(A) of this sub-
16 section and in section 6, the term means such
17 a broker or dealer or a government securities
18 broker or government securities dealer reg-
19 istered or required to register pursuant to sec-
20 tion 15C(a)(1)(A) of this title; and

21 “(B) in paragraph (3)(B) of this sub-
22 section and in section 15A, the term means
23 such a broker or dealer, a government securities
24 broker or government securities dealer reg-
25 istered or required to register pursuant to sec-
26 tion 15C(a)(1)(A) of this title, or a derivatives

1 dealer registered or required to register pursu-
2 ant to section 15D(a)(1)(A) of this title.”.

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