

Union Calendar No. 691

115TH CONGRESS
2^D SESSION

H. R. 5323

[Report No. 115–893]

To amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to establish an exemption from the credit valuation adjustment calculation for uncleared derivatives transactions with end-users so that United States companies are not disadvantaged, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2018

Mr. DAVIDSON introduced the following bill; which was referred to the Committee on Financial Services

AUGUST 7, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on March 19, 2018]

A BILL

To amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to establish an exemption from the credit valuation adjustment calculation for uncleared derivatives transactions with end-users so that United States companies are not disadvantaged, 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 Fairness*
5 *Act”.*

6 **SEC. 2. CREDIT VALUATION ADJUSTMENT RELIEF.**

7 *(a) IN GENERAL.—The Dodd-Frank Wall Street Re-*
8 *form and Consumer Protection Act (12 U.S.C. 5361 et seq.),*
9 *is amended by inserting after section 176 the following new*
10 *section:*

11 **“SEC. 177. CREDIT VALUATION ADJUSTMENT.**

12 *“Prudential risk-based capital requirements and gen-*
13 *erally applicable risk-based capital requirements established*
14 *by the appropriate Federal banking agencies shall not*
15 *apply a fair value adjustment to reflect counterparty credit*
16 *risk in valuation of over-the-counter derivative contracts*
17 *with respect to transactions with a counterparty that—*

18 *“(1) is described under section 2(h)(7)(A) of the*
19 *Commodity Exchange Act;*

20 *“(2) is a person or class of persons that meets*
21 *any qualifications required by a regulation issued by*
22 *the Commodity Futures Trading Commission with re-*
23 *spect to such person or class of persons qualifying for*
24 *an exemption under section 4(c)(1) of the Commodity*

1 *Exchange Act from the requirements of section*
2 *2(h)(1)(A) of such Act; or*

3 *“(3) is an affiliate that meets the requirements*
4 *for an exception under section 2(h)(7)(D) of the Com-*
5 *modity Exchange Act.”.*

6 **(b) CONFORMING AMENDMENT.**—*The table of contents*
7 *in section 1(b) of the Dodd-Frank Wall Street Reform and*
8 *Consumer Protection Act (12 U.S.C. 5301 note) is amended*
9 *by inserting after the item relating to section 176 the fol-*
10 *lowing new item:*

“Sec. 177. Credit valuation adjustment.”.

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