

MILLER (NC) /
PERLMUTTER
010

AMENDMENT TO COMMITTEE PRINT
OFFERED BY MR. MILLER OF NORTH CAROLINA
AND MR. PERLMUTTER OF COLORADO

Page 71, after line 7, insert the following new section (and redesignate succeeding sections accordingly):

1 SEC. 1111. RESTRICTION ON PROPRIETARY TRADING BY
2 DESIGNATED FINANCIAL HOLDING COMPA-
3 NIES.

4 (a) IN GENERAL.—If the Board determines that pro-
5 priety trading by a financial holding company subject to
6 stricter standards poses an existing or foreseeable threat
7 to the safety and soundness of such company or to the
8 financial stability of the United States, the Board may
9 prohibit such company from engaging in proprietary trading.

10 (b) EXCEPTIONS PERMITTED.—The Board may ex-
11 empt from the prohibition of subparagraph (a) proprietary
12 trading that the Board determines to be ancillary to other
13 operations of such company and not to pose a threat to
14 the safety and soundness of such company or to the finan-
15 cial stability of the United States, including—

16 (1) making a market in securities issued by
17 such company;

18 (2) hedging or managing risk;

1 (3) determining the market value of assets of
2 such company; and

3 (4) propriety trading for such other purposes
4 allowed by the Board by rule.

5 (c) RULEMAKING AUTHORITY.—The primary finan-
6 cial regulatory agencies of banks and bank holding compa-
7 nies shall jointly issue regulations to carry out this section.

8 (d) EFFECTIVE DATE.—The provisions of this sec-
9 tion shall take effect after the end of the 180-day period
10 beginning on the date of the enactment of this title.

11 (e) PROPRIETARY TRADING DEFINED.—For pur-
12 poses of this section and with respect to a company, the
13 term “proprietary trading” means the trading of stocks,
14 bonds, options, commodities, derivatives, or other financial
15 instruments with the company’s own money and for the
16 company’s own account.

