

.....  
(Original Signature of Member)

112TH CONGRESS  
2D SESSION

# H. R.

---

To establish the Securities and Derivatives Commission in order to combine the functions of the Commodity Futures Trading Commission and the Securities and Exchange Commission in a single independent regulatory commission.

---

## IN THE HOUSE OF REPRESENTATIVES

M\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

---

# A BILL

To establish the Securities and Derivatives Commission in order to combine the functions of the Commodity Futures Trading Commission and the Securities and Exchange Commission in a single independent regulatory commission.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Markets and Trading Reorganization Act”.

1 (b) TABLE OF CONTENTS.— The table of contents  
2 of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definition.

TITLE I—ESTABLISHMENT OF COMMISSION

- Sec. 101. Establishment.
- Sec. 102. Members; appointment; terms.
- Sec. 103. Organization of Commission.

TITLE II—TRANSFERS OF FUNCTIONS

- Sec. 201. Commodity futures trading commission functions.
- Sec. 202. Securities and exchange commission functions.

TITLE III—ADMINISTRATIVE PROVISIONS

- Sec. 301. Personnel provisions.
- Sec. 302. General administrative provisions.

TITLE IV—FEE AND FUNDING AUTHORITY

- Sec. 401. Fees to cover costs of the Commission.
- Sec. 402. Funding Authority of the Commission.

TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

- Sec. 501. Savings provisions.
- Sec. 502. Reference.
- Sec. 503. Amendments.

TITLE VI—EFFECTIVE DATE

- Sec. 601. Effective date.

3 **SEC. 2. PURPOSES.**

4 The purposes of this Act are—

5 (1) to establish a single Federal regulatory body  
6 with jurisdiction over securities, derivatives, options,  
7 futures, and related markets and instruments;

8 (2) to coordinate the regulation of relevant fi-  
9 nancial markets;



1 ations of the markets subject to the jurisdiction of the  
2 Commission.

3 (b) QUALIFICATIONS.—In appointing commissioners  
4 under subsection (a), the President shall—

5 (1) select persons who each have demonstrated  
6 knowledge of securities, futures, swaps, or other de-  
7 rivatives, the regulation of such instruments, or the  
8 markets for agricultural or other types of commod-  
9 ities underlying transactions subject to the oversight  
10 of the Commission under this Act; and

11 (2) seek to ensure that the demonstrated knowl-  
12 edge of the commissioners is balanced with respect  
13 to such areas, with at least one commissioner having  
14 knowledge of the agricultural commodities market.

15 (c) TERMS.—Each commissioner shall be appointed  
16 for a term of 5 years, except that a commissioner may  
17 continue to serve after the expiration of such term until  
18 a successor is appointed and has qualified.

19 (1) The terms of office of the commissioners  
20 first taking office after the enactment of this Act  
21 shall expire, as designated by the President at the  
22 time of their appointment—

23 (A) 1 at the end of 1 year;

24 (B) 2 at the end of 3 years; and

25 (C) 2 at the end of 5 years.

1           (2) Any commissioner appointed to fill a va-  
2           cancy occurring prior to the expiration of the term  
3           for which the predecessor was appointed shall be ap-  
4           pointed for the remainder of such term.

5 **SEC. 103. ORGANIZATION OF COMMISSION.**

6           (a) **REQUIRED DIVISIONS.**—The Commission shall  
7           establish the principal divisions and subdivisions of the  
8           Commission, including, at a minimum, the following three  
9           divisions:

10           (1) A Markets and Trading Division with over-  
11           sight of market conduct and utilities, the conduct of  
12           market professionals, and self-regulatory organiza-  
13           tions with regard to such market professionals, in-  
14           cluding related examination functions.

15           (2) An Issuers and Financial Disclosures Divi-  
16           sion with oversight of the issuance of securities, in-  
17           cluding investment companies and related rules and  
18           examinations.

19           (3) An Enforcement Division responsible for the  
20           enforcement of all rules of the Commission.

21           (b) **OTHER OFFICES.**—The Commission may estab-  
22           lish such other offices as it determines useful in the con-  
23           duct of the Commission's affairs.

1           **TITLE II—TRANSFERS OF**  
2                           **FUNCTIONS**

3   **SEC. 201. COMMODITY FUTURES TRADING COMMISSION**  
4                           **FUNCTIONS.**

5           There are transferred to the Commission all functions  
6 of the Commodity Futures Trading Commission and of  
7 any officer or component of the Commodity Futures Trad-  
8 ing Commission.

9   **SEC. 202. SECURITIES AND EXCHANGE COMMISSION FUNC-**  
10                           **TIONS.**

11           There are transferred to the Commission all functions  
12 of the Securities and Exchange Commission and of any  
13 officer or component of the Securities and Exchange Com-  
14 mission.

15           **TITLE III—ADMINISTRATIVE**  
16                           **PROVISIONS**

17   **SEC. 301. PERSONNEL PROVISIONS.**

18           (a) APPOINTMENT AND COMPENSATION.—The Com-  
19 mission may appoint and fix the compensation of such of-  
20 ficers and employees as may be necessary to carry out the  
21 functions of the Commission. Except as otherwise provided  
22 by law, such officers and employees shall be appointed in  
23 accordance with the civil service laws and the compensa-  
24 tion of such employees shall be fixed in accordance with  
25 section 4802 of title 5, United States Code. The Commis-

1 sion shall, in accordance with such section, adjust the com-  
2 pensation of employees so that the compensation of em-  
3 ployees transferred from the Commodity Futures Trading  
4 Commission pursuant to subsection (b) and the compensa-  
5 tion of employees transferred from the Securities and Ex-  
6 change Commission under such subsection are aligned. In  
7 making such an adjustment, the Commission shall not re-  
8 duce the compensation of any employee.

9 (b) TRANSFER OF EMPLOYEES.—

10 (1) IN GENERAL.—All employees of the Com-  
11 modity Futures Trading Commission and the Securi-  
12 ties and Exchange Commission shall be transferred  
13 to the Commission. Each employee to be transferred  
14 under this subsection shall be transferred not later  
15 than 90 days after the effective date set forth in sec-  
16 tion 601.

17 (2) EMPLOYEE STATUS AND FUNCTIONS.—

18 (A) STATUS.—The transfer of employees  
19 under this section shall not affect the status of  
20 the transferred employees as employees of an  
21 agency of the United States under any provi-  
22 sion of law. Each transferred employee shall be  
23 placed in a position at the Commission with the  
24 same status and tenure as the transferred em-

1           employee held on the day before the date on which  
2           the employee was transferred.

3           (B) FUNCTIONS.—To the extent prac-  
4           ticable, each transferred employee shall be  
5           placed in a position at the Commission respon-  
6           sible for the same functions and duties as the  
7           transferred employee had on the day before the  
8           date on which the employee was transferred, in  
9           accordance with the expertise and preferences  
10          of the transferred employee.

11          (3) PERSONNEL ACTIONS LIMITED.—

12           (A) PROTECTION.—Except as provided in  
13           subparagraph (B), each transferred employee  
14           shall not, during the 3-year period beginning on  
15           the transfer date, be involuntarily separated, or  
16           involuntarily reassigned outside his or her local-  
17           ity pay area.

18           (B) EXCEPTIONS.—Subparagraph (A) does  
19           not limit the right of the Commission to—

20                   (i) separate an employee for cause or  
21                   for unacceptable performance;

22                   (ii) terminate an appointment to a po-  
23                   sition excepted from the competitive service  
24                   because of its confidential policy-making,

1 policy-determining, or policy-advocating  
2 character; or

3 (iii) reassign an employee outside such  
4 employee's locality pay area when the  
5 Commission determines that the reassign-  
6 ment is necessary for the efficient oper-  
7 ation of the Commission.

8 (4) PAY.—

9 (A) PROTECTION.—

10 (i) IN GENERAL.—Except as provided  
11 in clause (ii), each transferred employee  
12 shall, during the 3-year period beginning  
13 on the designated transfer date, receive  
14 pay at a rate equal to not less than the  
15 basic rate of pay (including any geographic  
16 differential) that the employee received  
17 during the pay period immediately pre-  
18 ceding the date of transfer.

19 (ii) LIMITATION.—Notwithstanding  
20 clause (i), if the employee was receiving a  
21 higher rate of basic pay on a temporary  
22 basis (because of a temporary assignment,  
23 temporary promotion, or other temporary  
24 action) immediately before the date of  
25 transfer, the Commission may reduce the

1 rate of basic pay on the date on which the  
2 rate would have been reduced but for the  
3 transfer, and the protected rate for the re-  
4 mainder of the 3-year period shall be the  
5 reduced rate that would have applied, but  
6 for the transfer.

7 (B) EXCEPTIONS.—Subparagraph (A) does  
8 not limit the right of the Commission to reduce  
9 the rate of basic pay of a transferred em-  
10 ployee—

11 (i) for cause or for unacceptable per-  
12 formance; or

13 (ii) with the consent of the employee.

14 (C) PROTECTION ONLY WHILE EM-  
15 PLOYED.—Subparagraph (A) applies to a trans-  
16 ferred employee only while that employee re-  
17 mains employed by the Commission.

18 (D) PAY INCREASES PERMITTED.—Sub-  
19 paragraph (A) does not limit the authority of  
20 the Commission to increase the pay of a trans-  
21 ferred employee.

22 **SEC. 302. GENERAL ADMINISTRATIVE PROVISIONS.**

23 (a) GENERAL AUTHORITY.—In carrying out any  
24 function transferred by this Act, the Commission, or any  
25 officer or employee of the Commission, may exercise any

1 authority available by law with respect to such function  
2 to the official or agency from which such function is trans-  
3 ferred, and the actions of the Commission, or any officer  
4 or employee of the Commission in exercising such author-  
5 ity shall have the same force and effect as when exercised  
6 by such official or agency.

7 (b) RULES.—The Commission may prescribe such  
8 rules and regulations as the Commission determines nec-  
9 essary or appropriate to administer and manage the func-  
10 tions of the Commission.

11 (c) CONTRACTS.—The Commission may make, enter  
12 into, and perform such contracts, grants, leases, coopera-  
13 tive agreements, or other similar transactions with Fed-  
14 eral or other public agencies (including State and local  
15 governments) and private organizations and persons, and  
16 make such payments, by way of advance or reimburse-  
17 ment, as the Commission may determine necessary or ap-  
18 propriate to carry out functions of the Commission.

19 (d) REGIONAL AND FIELD OFFICES.—The Commis-  
20 sion may establish, alter, discontinue, or maintain such  
21 regional or other field offices as the Commission may find  
22 necessary or appropriate to perform functions of the Com-  
23 mission.

24 (e) RESERVE FUND.—The Commission may obligate  
25 amounts in the Reserve Fund established under section

1 4(i) of the Securities Exchange Act of 1934 (15 U.S.C.  
2 78d(i)), not to exceed a total of \$100,000,000 in any 1  
3 fiscal year, as the Commission determines is necessary to  
4 carry out the functions of the Commission, including those  
5 transferred by title II of this Act. Any amounts in the  
6 reserve fund shall remain available until expended. Not  
7 later than 10 days after the date on which the Commission  
8 obligates amounts under this subsection, the Commission  
9 shall notify Congress of the date, amount, and purpose  
10 of the obligation.

11 **TITLE IV—FEE AND FUNDING**  
12 **AUTHORITY**

13 **SEC. 401. FEES TO COVER COSTS OF THE COMMISSION.**

14 (a) IMPOSITION OF FEES.—

15 (1) IN GENERAL.—The Commission shall, by  
16 order, impose a fee on each agreement, contract, or  
17 transaction that is a contract of sale of a commodity  
18 for future delivery, an option on such a contract, or  
19 a swap or securities-based swap, so that the total of  
20 the fees so imposed during each fiscal year is suffi-  
21 cient to cover the costs of the regulatory activities of  
22 the Commission related to such instruments for each  
23 fiscal year.

1           (2) LIMITATION.—The fees imposed under this  
2 subsection on all transactions of the same kind shall  
3 be determined in a uniform manner.

4           (3) MID-YEAR ADJUSTMENT.—

5           (A) IN GENERAL.—By March 1 of each  
6 fiscal year, the Commission shall determine  
7 whether, based on the fees collected under this  
8 subsection during the first 5 months of the fis-  
9 cal year, the total of the amounts collected and  
10 to be collected under this section for the fiscal  
11 year is reasonably likely to be 10 percent (or  
12 more) greater or less than the costs described  
13 in paragraph (1) for the fiscal year. If the Com-  
14 mission so determines, the Commission shall by  
15 order, no later than March 1 of the fiscal year,  
16 adjust the fee rates otherwise applicable under  
17 this subsection for the fiscal year so that the  
18 total of the amounts so collected and to be col-  
19 lected is reasonably likely to equal to the costs  
20 so described.

21           (B) EFFECTIVE DATE.—An adjusted rate  
22 prescribed under subparagraph (A) of this  
23 paragraph in a fiscal year shall take effect on  
24 the 1st day of the fiscal year to which the rate  
25 applies.

1           (4) PUBLICATION.—The Commission shall pub-  
2           lish in the Federal Register notices of the fee rates  
3           applicable under this subsection for a fiscal year not  
4           later than 30 days after such rates are set, together  
5           with any estimates or projections on which the fee  
6           rates are based.

7           (5) INAPPLICABILITY OF RULE MAKING RE-  
8           QUIREMENTS.—In exercising its authority under this  
9           subsection, the Commission shall not be required to  
10          comply with section 553 of title 5, United States  
11          Code.

12          (6) NO JUDICIAL REVIEW.—A fee rate pre-  
13          scribed under this subsection and published in ac-  
14          cordance with paragraph (4) shall not be subject to  
15          judicial review.

16          (b) PAYMENT AND COLLECTION OF FEES.—

17                  (1) CLEARED TRANSACTIONS; UNCLEARED  
18          SWAPS REPORTED TO SWAP DATA REPOSITORIES.—

19                          (A) PAYMENT OF FEES.—

20                                  (i) CLEARED TRANSACTIONS.—In the  
21                                  case of a contract of sale of a commodity  
22                                  for future delivery, an option on such a  
23                                  contract, or a swap or securities-based  
24                                  swap that is cleared by a derivatives clear-  
25                                  ing organization registered or exempt from

1 registration under the Commodity Ex-  
2 change Act or by a clearing agency reg-  
3 istered or exempt from registration under  
4 the Securities Exchange Act of 1934, as  
5 applicable, each party to the agreement,  
6 contract, or transaction shall pay the fee  
7 determined under subsection (a) to the de-  
8 rivatives clearing organization or clearing  
9 agency, as applicable.

10 (ii) UNCLEARED SWAPS REPORTED TO  
11 SWAP DATA REPOSITORIES.—In the case of  
12 a swap or securities-based swap that is not  
13 cleared by a derivatives clearing organiza-  
14 tion registered or exempt from registration  
15 under the Commodity Exchange Act or by  
16 a clearing agency registered or exempt  
17 from registration under the Securities Ex-  
18 change Act of 1934 and that is accepted  
19 by a swap data repository registered under  
20 section 21 of the Commodity Exchange Act  
21 (7 U.S.C. 24a) or a securities-based swap  
22 data repository registered under section  
23 13n of the Securities Exchange Act of  
24 1934 (15 U.S.C. 78m(n)), as applicable,  
25 each party to the swap or securities-based

1 swap shall pay the transaction fee deter-  
2 mined under subsection (a) to the swap  
3 data repository or securities-based swap  
4 data repository.

5 (B) COLLECTION OF FEES.—The Commis-  
6 sion shall collect the fees paid in accordance  
7 with subparagraph (A) in such manner and  
8 within such time as the Commission determines  
9 appropriate.

10 (2) UNCLEARED SWAPS REPORTED TO COMMIS-  
11 SION.—In the case of a swap or securities-based  
12 swap that is not cleared by a derivatives clearing or-  
13 ganization or a clearing agency registered or exempt  
14 from registration under the Commodity Exchange  
15 Act or the Securities Exchange Act of 1934 and that  
16 is reported to the Commission pursuant to such  
17 Acts, each party to the swap or securities-based  
18 swap shall pay the fee determined under subsection  
19 (a) to the Commission in a manner and within such  
20 time as the Commission determines appropriate.

21 **SEC. 402. FUNDING AUTHORITY OF THE COMMISSION.**

22 (a) COMMODITY FUTURES TRADING COMMISSION.—  
23 Section 12 of the Commodity Exchange Act (7 U.S.C. 16)  
24 is amended—

1 (1) in subsection (b)(1), by striking “and as  
2 may be from time to time appropriated for by Con-  
3 gress”;

4 (2) by striking subsection (d); and

5 (3) in subsection (f)(3), by striking “Any pay-  
6 ment or reimbursement accepted shall be considered  
7 a reimbursement to the appropriated funds of the  
8 Commission.” and inserting “Such payments or re-  
9 imbursements shall be available to the Commission  
10 without further appropriation.”.

11 (b) SECURITIES EXCHANGE COMMISSION.—Section  
12 31 of the Securities Exchange Act of 1934 (15 U.S.C.  
13 78ee) is amended—

14 (1) in subsection (a)—

15 (A) in the heading for such subsection, by  
16 striking “RECOVERY OF COSTS OF ANNUAL AP-  
17 PROPRIATION” and inserting “IN GENERAL”;  
18 and

19 (B) by striking “recover the costs to the  
20 Government of the annual appropriation to the  
21 Commission by Congress” and inserting “cover  
22 the costs to the Commission for the supervision  
23 and regulation of securities markets and securi-  
24 ties professionals, and use such fees and assess-  
25 ments without further appropriation”;

1 (2) by striking subsection (i);

2 (3) in subsection (j)—

3 (A) by striking “regular appropriation to  
4 the Commission by Congress” each place such  
5 term appears and inserting “target offsetting  
6 collection amount”; and

7 (B) by amending paragraph (4)(A) to read  
8 as follows:

9 “(A) ANNUAL ADJUSTMENT.—An adjusted  
10 rate prescribed under paragraph (1) shall take  
11 effect on the first day of the fiscal year to  
12 which such rate applies.”; and

13 (4) by striking subsection (k).

14 **TITLE V—TRANSITIONAL, SAV-**  
15 **INGS, AND CONFORMING**  
16 **PROVISIONS**

17 **SEC. 501. SAVINGS PROVISIONS.**

18 (a) CONTINUITY OF LEGAL INSTRUMENTS.—All or-  
19 ders, determinations, rules, regulations, permits, grants,  
20 contracts, certificates, licenses, and privileges—

21 (1) which have been issued, made, granted, or  
22 allowed to become effective by the President, the Se-  
23 curities and Exchange Commission, or the Com-  
24 modity Futures Trading Commission, or any compo-  
25 nent thereof, or by a court of competent jurisdiction,

1 in the performance of functions which are trans-  
2 ferred under this Act to the Commission, and

3 (2) which are in effect at the time this Act  
4 takes effect,

5 shall continue in effect according to their terms until  
6 modified, terminated, superseded, set aside, or revoked in  
7 accordance with the law by the President, the Commission,  
8 or other authorized official, a court of competent jurisdic-  
9 tion, or by operation of law.

10 (b) CONTINUITY OF PROCEEDINGS.—

11 (1) IN GENERAL.—The provisions of this Act  
12 shall not affect any proceedings, including notices of  
13 proposed rulemaking, or any application for any li-  
14 cense, permit, certificate, or financial assistance  
15 pending on the effective date of this Act before ei-  
16 ther the Securities and Exchange Commission or the  
17 Commodity Futures Trading Commission, or any  
18 component thereof, functions of which are trans-  
19 ferred by this Act. Such proceedings and applica-  
20 tions, to the extent that they relate to functions so  
21 transferred, shall be continued. Orders shall be  
22 issued in such proceedings, appeals shall be taken  
23 therefrom, and payments shall be made pursuant to  
24 such orders, as if this Act had not been enacted and  
25 orders issued in any such proceedings shall continue

1 in effect until modified, terminated, superseded, or  
2 revoked by the Commission, by a court of competent  
3 jurisdiction, or by operation of law. Nothing in this  
4 subsection shall be construed to prohibit the dis-  
5 continuance or modification of any such proceeding  
6 under the same terms and conditions and to the  
7 same extent that such proceeding could have been  
8 discontinued or modified if this Act had not been en-  
9 acted.

10 (2) REGULATIONS CONCERNING TRANSFERS.—

11 The Commission may prescribe regulations providing  
12 for the orderly transfer of proceedings continued  
13 under paragraph (1) to the Commission.

14 (c) PENDING LITIGATION.—Except as provided in  
15 subsection (e)—

16 (1) the provisions of this Act shall not affect  
17 suits commenced prior to the effective date of this  
18 Act; and

19 (2) in all such suits, proceedings shall be had,  
20 appeals taken, and judgments rendered in the same  
21 manner and effect as if this Act had not been en-  
22 acted.

23 (d) NONABATEMENT.—No suit, action, or other pro-  
24 ceeding commenced by or against any officer in the official  
25 capacity of such individual as an officer of the Securities

1 and Exchange Commission or the Commodity Futures  
2 Trading Commission, or any component thereof, functions  
3 of which are transferred by this Act, shall abate by reason  
4 of the enactment of this Act. No cause of action by or  
5 against any department or agency, functions of which are  
6 transferred by this Act, or by or against any officer there-  
7 of in the official capacity of such officer shall abate by  
8 reason of the enactment of this Act.

9 (e) SUBSTITUTION OF PARTIES.—If, before the date  
10 on which this Act takes effect, the Securities and Ex-  
11 change Commission or the Commodity Futures Trading  
12 Commission, or any component thereof, or officer thereof  
13 in the official capacity of such officer, is a party to a suit,  
14 and under this Act any function of such department, agen-  
15 cy, or officer is transferred to the Commission or any  
16 other official of the Commission, then such suit shall be  
17 continued with the Commission or other appropriate offi-  
18 cial of the Commission substituted or added as a party.

19 (f) JUDICIAL REVIEW AS REQUIRED BY EXISTING  
20 LAW.—Orders and actions of the Commission in the exer-  
21 cise of functions transferred under this Act shall be sub-  
22 ject to judicial review to the same extent and in the same  
23 manner as if such orders and actions had been by the  
24 agency or office, or part thereof, exercising such functions  
25 immediately preceding their transfer. Any statutory re-

1 requirements relating to notice, hearings, action upon the  
2 record, or administrative review that apply to any function  
3 transferred by this Act shall apply to the exercise of such  
4 function by the Commission.

5 **SEC. 502. REFERENCE.**

6 Any reference in any other Federal law to the Securi-  
7 ties and Exchange Commission or the Commodity Futures  
8 Trading Commission shall be deemed a reference to the  
9 Securities and Derivatives Commission established by this  
10 Act.

11 **SEC. 503. AMENDMENTS.**

12 (a) EXECUTIVE SCHEDULE SALARIES.—

13 (1) CHAIRPERSON.—Section 5314 of title 5,  
14 United States Code, is amended—

15 (A) by striking “Chairman, Securities and  
16 Exchange Commission.” and inserting “Chair-  
17 person, Securities and Derivatives Commis-  
18 sion.”; and

19 (B) by striking “Chairman, Commodity  
20 Futures Trading Commission.”.

21 (2) MEMBERS.—Section 5315 of title 5, United  
22 States Code, is amended—

23 (A) by striking “Members, Securities and  
24 Exchange Commission” and inserting “Mem-

1           bers, Securities and Derivatives Commission”;  
2           and

3                   (B) by striking “Members, Commodity Fu-  
4                   tures Trading Commission.”.

5           (b) CONFORMING AMENDMENTS.—

6                   (1) SECURITIES EXCHANGE ACT.—Sections 4(a)  
7                   of the Securities Exchange Act of 1934 (15 U.S.C.  
8                   78d(a)) is amended—

9                           (A) by striking “There is hereby estab-  
10                           lished a Securities and Exchange Commission  
11                           (hereinafter referred to as the ‘Commission’) to  
12                           be composed of five commissioners to be ap-  
13                           pointed by the President by and with the advice  
14                           and consent of the Senate. Not more than three  
15                           of such commissioners shall be members of the  
16                           same political party, and in making appoint-  
17                           ments members of different political parties  
18                           shall be appointed alternately as nearly as may  
19                           be practicable.”; and

20                           (B) by striking “Each commissioner shall  
21                           hold office for a term of five years and until his  
22                           successor is appointed and has qualified, except  
23                           that he shall not so continue to serve beyond  
24                           the expiration of the next session of Congress  
25                           subsequent to the expiration of said fixed term

1 of office, and except (1) any commissioner ap-  
2 pointed to fill a vacancy occurring prior to the  
3 expiration of the term for which his predecessor  
4 was appointed shall be appointed for the re-  
5 mainder of such term, and (2) the terms of of-  
6 fice of the commissioners first taking office  
7 after the enactment of this title shall expire as  
8 designated by the President at the time of nom-  
9 ination, one at the end of one year, one at the  
10 end of two years, one at the end of three years,  
11 one at the end of four years, and one at the end  
12 of five years, after the date of the enactment of  
13 this title.”.

14 (2) COMMODITY EXCHANGE ACT.—Section 2(a)  
15 of the Commodity Exchange Act (7 U.S.C. 2a) is  
16 amended by striking paragraphs (2), (3), and (4).

17 (3) DODD-FRANK.—Section 111(b)(1) of the  
18 Dodd-Frank Wall Street Reform and Consumer Pro-  
19 tection Act (12 U.S.C. 5321(b)(1)) is amended—

20 (A) by amending subparagraph (E) to read  
21 as follows:

22 “(E) the Chairperson of the Securities and  
23 Derivatives Commission;”;

24 (B) by striking subparagraph (G); and

1                   (C) by redesignating subparagraphs (H),  
2                   (I), and (J) as subparagraphs (G), (H), and  
3                   (I), respectively.

4                   **TITLE VI—EFFECTIVE DATE**

5                   **SEC. 601. EFFECTIVE DATE.**

6                   The provisions of this Act shall take effect 1 year  
7                   after the date of enactment of this Act, except that the  
8                   President may nominate and the Senate confirm Commis-  
9                   sioners prior to such date.