

103^D CONGRESS
1ST SESSION

H. R. 2550

To establish a Markets and Trading 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, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1993

Mr. GLICKMAN (for himself and Mr. WYDEN) introduced the following bill; which was referred jointly to the Committees on Agriculture, Energy and Commerce, and Banking, Finance and Urban Affairs

A BILL

To establish a Markets and Trading 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, 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; TABLE OF CONTENTS.**

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

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

- Sec. 2. Purposes.
- Sec. 3. Definitions.
- Sec. 4. Effect on congressional jurisdiction.

TITLE I—ESTABLISHMENT OF COMMISSION

- Sec. 101. Establishment.
- Sec. 102. Members: appointment; terms.
- Sec. 103. Organization of commission.
- Sec. 104. General Counsel.

TITLE II—TRANSFERS OF FUNCTIONS

- Sec. 201. Commodity Futures Trading Commission functions.
- Sec. 202. Securities and Exchange Commission.
- Sec. 203. Jurisdiction of margin authority.

TITLE III—FEDERAL FINANCIAL MARKETS COORDINATING
COUNCIL

- Sec. 301. Establishment; membership.
- Sec. 302. Functions of the Council.
- Sec. 303. Staff; administrative support; expenses.

TITLE IV—ADMINISTRATIVE PROVISIONS

PART A—PERSONNEL PROVISIONS

- Sec. 401. Officers and employees.
- Sec. 402. Experts and consultants.

PART B—GENERAL ADMINISTRATIVE PROVISIONS

- Sec. 411. General authority.
- Sec. 412. Delegation.
- Sec. 413. Reorganization.
- Sec. 414. Rules.
- Sec. 415. Contracts.
- Sec. 416. Regional and field offices.
- Sec. 417. Use of facilities.
- Sec. 418. Working capital fund.
- Sec. 419. Funds transfer.
- Sec. 420. Seal of Commission.
- Sec. 421. Annual report.
- Sec. 422. Authorization of appropriations.

TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING
PROVISIONS

- Sec. 501. Transfer and allocation of appropriations and personnel.
- Sec. 502. Effect on personnel.
- Sec. 503. Agency terminations.
- Sec. 504. Incidental transfers.
- Sec. 505. Savings provisions.
- Sec. 506. Separability.
- Sec. 507. Reference.
- Sec. 508. Amendments.
- Sec. 509. Transition.

TITLE VI—EFFECTIVE DATE

Sec. 601. Effective date.

1 **SEC. 2. PURPOSES.**

2 The purposes of this Act are—

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

6 (2) to consolidate and revise the authority for
7 setting margin requirements on all such instru-
8 ments;

9 (3) to coordinate the regulation of all financial
10 markets;

11 (4) to strengthen investor confidence in United
12 States financial markets; and

13 (5) to ensure the competitiveness of those mar-
14 kets.

15 **SEC. 3. DEFINITIONS.**

16 As used in this Act—

17 (1) the term “Commission” means the Markets
18 and Trading Commission established by section 101
19 of this Act; and

20 (2) the term “function” includes any duty, obli-
21 gation, power, authority, responsibility, right, privi-
22 lege, activity, or program.

1 **SEC. 4. EFFECT ON CONGRESSIONAL JURISDICTION.**

2 It is the sense of Congress that this Act shall not
3 be construed to affect the jurisdiction of any committee
4 or subcommittee of the Congress with respect to any func-
5 tion transferred to the Commission by this Act.

6 **TITLE I—ESTABLISHMENT OF**
7 **COMMISSION**

8 **SEC. 101. ESTABLISHMENT.**

9 There is established an independent regulatory com-
10 mission to be known as the Markets and Trading Commis-
11 sion.

12 **SEC. 102. MEMBERS: APPOINTMENT; TERMS.**

13 (a) COMPOSITION OF COMMISSION.—The Commis-
14 sion shall be composed of five commissioners appointed by
15 the President, by and with the advice and consent of the
16 Senate. One of the commissioners shall be designated by
17 the President as chairman. Not more than three of such
18 members shall be members of the same political party.
19 Each Commissioner shall be selected solely on the basis
20 of integrity and demonstrated knowledge of the operations
21 of the markets subject to the jurisdiction of the Commis-
22 sion.

23 (b) TERMS.—Each commissioner shall be appointed
24 for a term of 5 years, except that—

25 (1) a commissioner may continue to serve after
26 the expiration of such term until a successor is ap-

1 pointed and has qualified, but may not continue to
2 so serve beyond the expiration of the next session of
3 Congress beginning after the expiration of such
4 term;

5 (2) the terms of office of the commissioners
6 first taking office after the enactment of this Act
7 shall expire, as designated by the President at the
8 time of their appointment—

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

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

11 (C) 2 at the end of 5 years; and

12 (3) any member appointed to fill a vacancy oc-
13 ccurring prior to the expiration of the term for which
14 the predecessor was appointed shall be appointed for
15 the remainder of such term.

16 (c) CONFLICTS OF INTEREST.—

17 (1) IN GENERAL.—No commissioner shall en-
18 gage in any other business, vocation, or employment
19 than that of serving as commissioner, nor shall any
20 commissioner participate, directly or indirectly, in
21 any market operations or transactions of a character
22 subject to regulation by the Commission pursuant to
23 this title.

24 (2) REIMBURSEMENT FOR TRAVEL.—Notwith-
25 standing any other provision of law, in accordance

1 with regulations which the Commission shall pre-
2 scribe to prevent conflicts of interest, the Commis-
3 sion may accept payment and reimbursement, in
4 cash or in kind, from non-Federal agencies, organi-
5 zations, and individuals for travel, subsistence, and
6 other necessary expenses incurred by Commission
7 members and employees in attending meetings and
8 conferences concerning the functions or activities of
9 the Commission. Any payment or reimbursement ac-
10 cepted shall be credited to the appropriated funds of
11 the Commission. The amount of travel, subsistence,
12 and other necessary expenses for members and em-
13 ployees paid or reimbursed under this subsection
14 may exceed per diem amounts established in official
15 travel regulations, but the Commission may include
16 in its regulations under this subsection a limitation
17 on such amounts.

18 (3) PROFESSIONAL FELLOWS.—Notwithstand-
19 ing any other provision of law, former employers of
20 participants in the Commission's professional fellows
21 programs may pay such participants their actual ex-
22 penses for relocation to Washington, District of Co-
23 lumbia, to facilitate their participation in such pro-
24 grams, and program participants may accept such
25 payments.

1 (d) FEES.—Notwithstanding any other provision of
2 law, whenever any fee is required to be paid to the Com-
3 mission pursuant to any provision of the securities laws
4 or any other law, the Commission may provide by rule that
5 such fee shall be paid in a manner other than in cash.

6 **SEC. 103. ORGANIZATION OF COMMISSION.**

7 The Commission shall establish the principal divi-
8 sions and subdivisions of the Commission, except that the
9 Commission shall establish a separate division with re-
10 sponsibility for functions relating to markets in physical
11 commodities.

12 **SEC. 104. GENERAL COUNSEL.**

13 There shall be in the Commission an Office of Gen-
14 eral Counsel, headed by a General Counsel appointed by
15 the President, by and with the advice and consent of the
16 Senate.

17 **TITLE II—TRANSFERS OF**
18 **FUNCTIONS**

19 **SEC. 201. COMMODITY FUTURES TRADING COMMISSION**
20 **FUNCTIONS.**

21 There are transferred to the Commission all functions
22 of the Commodity Futures Trading Commission and of
23 any officer or component of the Commodity Futures
24 Trading Commission.

1 **SEC. 202. SECURITIES AND EXCHANGE COMMISSION.**

2 There are transferred to the Commission all functions
3 of the Security and Exchange Commission and of any offi-
4 cer or component of the Securities and Exchange
5 Commission.

6 **SEC. 203. JURISDICTION OF MARGIN AUTHORITY.**

7 (a) MARGIN AUTHORITY WITH RESPECT TO SECURI-
8 TIES.—There is transferred to the Commission the func-
9 tions of the Board of Governors of the Federal Reserve
10 System under section 7 of the Securities Exchange Act
11 of 1934.

12 (b) MARGIN AUTHORITY WITH RESPECT TO FU-
13 TURES.—Notwithstanding section 5a(12) of the Commod-
14 ity Exchange Act, the Commission may—

15 (1) by order, direct contract markets to adjust
16 the level of margin required on any contract; or

17 (2) by regulation, prescribe limits on the level
18 of margin that a contract market may require on
19 any class or category of contract;

20 as necessary to ensure the financial integrity of such mar-
21 ket.

1 **TITLE III—FEDERAL FINANCIAL**
2 **MARKETS COORDINATING**
3 **COUNCIL**

4 **SEC. 301. ESTABLISHMENT; MEMBERSHIP.**

5 (a) ESTABLISHMENT.—There is established in the ex-
6 ecutive branch a council to be known as the Federal
7 Financial Markets Coordinating Council.

8 (b) MEMBERSHIP.—The Council shall be composed of
9 the heads of the following agencies or their designees for
10 this purpose:

11 (1) The Board of Governors of the Federal Re-
12 serve System.

13 (2) The Comptroller of the Currency.

14 (3) The Department of the Treasury.

15 (4) The Markets and Trading Commission.

16 (5) The National Credit Union Administration.

17 (6) The Office of Thrift Supervision.

18 (7) The Federal Deposit Insurance Corporation.

19 (c) CHAIRMAN.—The Council shall elect one of its
20 members to serve as chairman.

21 **SEC. 302. FUNCTIONS OF THE COUNCIL.**

22 The Federal Financial Markets Coordinating Council
23 shall—

1 (1) serve as a facility for the coordination of
2 the regulatory operations of each of the agencies
3 represented on the Council;

4 (2) meet bimonthly and at the call of the chair
5 to discuss issues relating to the safety and effective-
6 ness of the financial services industry and other is-
7 sues relating to those regulatory operations;

8 (3) establish an advisory committee of not more
9 than 5 members representative of the futures, com-
10 modities, options, and securities exchanges and the
11 banking industry to meet no less than 4 times annu-
12 ally; and

13 (4) report biennially to the Congress on its
14 functions and activities, including in the first such
15 report such recommendations for legislative action
16 as it considers appropriate.

17 **SEC. 303. STAFF; ADMINISTRATIVE SUPPORT; EXPENSES.**

18 (a) STAFF; ADMINISTRATIVE SUPPORT.—The Com-
19 mission and each agency represented on the Council shall
20 provide to the Council such personnel and administrative
21 support as the Council may require to carry out its func-
22 tions under this title.

23 (b) EXPENSES.—There are authorized to be appro-
24 priated such sums as may be necessary for the expenses
25 of the Commission in carrying out this title. Funds appro-

1 priated under this subsection may be available to reim-
2 burse agencies for personnel detailed to the Council and
3 for administrative support provided under subsection (a).

4 **TITLE IV—ADMINISTRATIVE** 5 **PROVISIONS**

6 **PART A—PERSONNEL PROVISIONS**

7 **SEC. 401. OFFICERS AND EMPLOYEES.**

8 (a) APPOINTMENT AND COMPENSATION.—The Com-
9 mission is authorized to appoint and fix the compensation
10 of such officers and employees, including attorneys, as
11 may be necessary to carry out the functions of the Com-
12 mission. Except as otherwise provided by law, such officers
13 and employees shall be appointed in accordance with the
14 civil service laws and their compensation fixed in accord-
15 ance with title 5 of the United States Code.

16 (b) SPECIAL PROVISIONS.—

17 (1) CONTINUITY OF SUPERGRADE POSITIONS.—

18 At the request of the Commission, the Director of
19 the Office of Personnel Management shall, under
20 section 5108 of title 5, United States Code, provide
21 for the establishment in each of the grade levels GS-
22 16, GS-17, and GS-18 of a number of positions in
23 the Commission equal to the number of positions in
24 that grade level which were used primarily for the
25 performance of functions and offices transferred

1 under this Act and which were assigned and filled on
2 the day before the effective date of this Act.

3 (2) CONTINUITY OF PROFESSIONAL AND TECH-
4 NICAL POSITIONS.—At the request of the Commis-
5 sion, the Director of the Office of Personnel Man-
6 agement shall, under section 3104 of title 5, United
7 States Code, provide for the establishment in the
8 Commission of a number of professional and tech-
9 nical positions outside of the General Schedule equal
10 to the number of such positions which were used pri-
11 marily for the performance of functions and offices
12 transferred under this Act and which were assigned
13 and filled on the day before the effective date of this
14 Act.

15 (3) APPOINTMENTS TO SPECIAL POSITIONS.—
16 Appointments to positions provided for under this
17 subsection may be made without regard to the provi-
18 sions of section 3324 of title 5 of the United States
19 Code, if the individual appointed in such position is
20 an individual who is transferred in connection with
21 the transfer of functions and offices under this Act
22 and, on the day preceding the effective date of this
23 Act, holds a position and has duties comparable to
24 those of the position to which appointed hereunder.

1 (4) TERMINATION OF SPECIAL AUTHORITY.—

2 The authority under this subsection with respect to
3 any position shall terminate when the person first
4 appointed to fill such position ceases to hold such
5 position.

6 (5) TECHNICAL PROVISION.—For purposes of
7 section 414(a)(3)(A) of the Civil Service Reform Act
8 of 1978, an individual appointed under this sub-
9 section shall be deemed to occupy the same position
10 as the individual occupied on the day preceding the
11 effective date of this Act.

12 (c) ADDITIONAL TECHNICAL AND PROFESSIONAL
13 POSITIONS.—The Commission may appoint, without re-
14 gard to the provisions of title 5, United States Code, gov-
15 erning appointment in the competitive service, up to 100
16 technical or professional employees of the Commission and
17 may compensate employees so appointed without regard
18 to the provisions of chapter 51 and subchapter III of chap-
19 ter 53 of such title relating to classification and General
20 Schedule pay rates. The rate of basic compensation for
21 such employees shall not be equal to or in excess of the
22 minimum rate of pay currently paid for GS-16 of the
23 General Schedule under section 5332 of such title.

24 (d) LIMITED-TERM APPOINTEES.—Notwithstanding
25 any other provision of law, the Director of the Office of

1 Personnel Management shall establish positions within the
2 Senior Executive Service for 10 limited-term appointees.
3 The Commission shall appoint individuals to such posi-
4 tions as provided by section 3394 of title 5, United States
5 Code. Such positions shall expire on the later of three
6 years after the effective date of this Act or three years
7 after the initial appointment to each position. Positions
8 in effect under this subsection shall be taken into account
9 in applying the limitations on positions prescribed under
10 section 3134(e) and section 5108 of such title.

11 **SEC. 402. EXPERTS AND CONSULTANTS.**

12 The Commission may as provided in appropriation
13 Acts obtain the services of experts and consultants in ac-
14 cordance with the provisions of section 3109 of title 5,
15 United States Code, and may compensate such experts
16 and consultants at rates not to exceed the daily rate pre-
17 scribed for GS-18 of the General Schedule under section
18 5332 of such title.

19 **PART B—GENERAL ADMINISTRATIVE**
20 **PROVISIONS**

21 **SEC. 411. GENERAL AUTHORITY.**

22 In carrying out any function transferred by this Act,
23 the Commission, or any officer or employee of the Com-
24 mission, may exercise any authority available by law (in-
25 cluding appropriation Acts) with respect to such function

1 to the official or agency from which such function is trans-
2 ferred, and the actions of the Commission in exercising
3 such authority shall have the same force and effect as
4 when exercised by such official or agency.

5 **SEC. 412. DELEGATION.**

6 Exception as otherwise provided in this Act, the Com-
7 mission may delegate any function to such officers and
8 employees of the Commission as the Commission may des-
9 ignate, and may authorize such successive redelegations
10 of such functions within the Commission as may be nec-
11 essary or appropriate. No delegation of functions by the
12 Commission under this section or under any other provi-
13 sion of this Act shall relieve the Commission of responsibil-
14 ity for the administration of such functions.

15 **SEC. 413. REORGANIZATION.**

16 The Commission is authorized to allocate or reallo-
17 cate functions among the officers of the Commission, and
18 to establish, consolidate, alter, or discontinue such organi-
19 zational entities within the Commission as may be nec-
20 essary or appropriate.

21 **SEC. 414. RULES.**

22 The Commission is authorized to prescribe such rules
23 and regulations as the Commission determines necessary
24 or appropriate to administer and manage the functions of
25 the Commission.

1 **SEC. 415. CONTRACTS.**

2 (a) IN GENERAL.—Subject to the provisions of the
3 Federal Property and Administrative Services Act of
4 1949, the Commission is authorized to make, enter into,
5 and perform such contracts, grants, leases, cooperative
6 agreements, or other similar transactions with Federal or
7 other public agencies (including State and local govern-
8 ments) and private organizations and persons, and to
9 make such payments, by way of advance or reimburse-
10 ment, as the Commission may determine necessary or ap-
11 propriate to carry out functions of the Commission.

12 (b) APPROPRIATIONS REQUIRED.—Notwithstanding
13 any other provision of this Act, no authority to enter into
14 contracts or to make payments under this title shall be
15 effective except to such extent or in such amounts as are
16 provided in advance under appropriation Acts.

17 **SEC. 416. REGIONAL AND FIELD OFFICES.**

18 The Commission is authorized to establish, alter, dis-
19 continue, or maintain such regional or other field offices
20 as the Commission may find necessary or appropriate to
21 perform functions of the Commission.

22 **SEC. 417. USE OF FACILITIES.**

23 (a) USE BY COMMISSION.—With their consent, the
24 Commission may, with or without reimbursement, use the
25 research, equipment, services, and facilities of any agency
26 or instrumentality of the United States, of any State or

1 political subdivision thereof, or of any foreign government,
2 in carrying out any function of the Commission.

3 (b) USE BY OTHERS.—The Commission is authorized
4 to permit public and private agencies, corporations, asso-
5 ciations, organizations, or individuals to use any real prop-
6 erty, or any facilities, structures, or other improvements
7 thereon, under the custody and control of the Commission
8 for Commission purposes. The Commission shall permit
9 the use of such property, facilities, structures, or improve-
10 ments under such terms and rates and for such period
11 as may be in the public interest, except that the periods
12 of such uses may not exceed five years. The Commission
13 may require permittees under this section to recondition
14 and maintain, at their own expense, the real property, fa-
15 cilities, structures, and improvements used by such per-
16 mittees to a standard satisfactory to the Commission. This
17 subsection shall not apply to excess property as defined
18 in section 3(e) of the Federal Property and Administrative
19 Services Act of 1949.

20 (c) PROCEEDS FROM REIMBURSEMENTS.—Proceeds
21 from reimbursements under this section may be credited
22 to the appropriation of funds that bear or will bear all
23 or part of the cost of such equipment or facilities provided
24 or to refund excess sums when necessary.

1 (d) TITLE TO PROPERTY.—Any interest in real prop-
2 erty acquired pursuant to this Act shall be acquired in
3 the name of the United States Government.

4 **SEC. 418. WORKING CAPITAL FUND.**

5 (a) AUTHORITY AND USE.—The Commission, with
6 the approval of the Director of the Office of Management
7 and Budget, is authorized to establish for the Commission
8 a working capital fund, to be available without fiscal year
9 limitation, for expenses necessary for the maintenance and
10 operation of such common administrative services as the
11 Commission shall find to be desirable in the interests of
12 economy and efficiency, including such services as—

13 (1) a central supply service for stationery and
14 other supplies and equipment for which adequate
15 stocks may be maintained to meet in whole or in
16 part the requirements of the Commission and its
17 components;

18 (2) central messenger, mail, telephone, and
19 other communications services;

20 (3) office space, central services for document
21 reproduction, and for graphics and visual aids; and

22 (4) a central library service.

23 (b) CONTENTS AND MANAGEMENT OF FUND.—The
24 capital of the fund shall consist of any appropriations
25 made for the purpose of providing working capital and the

1 fair and reasonable value of such stocks of supplies, equip-
2 ment, and other assets and inventories on order as the
3 Commission may transfer to the fund, less the related li-
4 abilities and unpaid obligations. Such funds shall be reim-
5 bursed in advance from available funds of agencies and
6 offices in the Commission, or from other sources, for sup-
7 plies and services at rates that will approximate the ex-
8 pense of operation, including the accrual of annual leave
9 and the depreciation of equipment. The fund shall also be
10 credited with receipts from sale or exchange of property
11 and receipts in payment for loss or damage to property
12 owned by the fund. There shall be covered into the Treas-
13 ury as miscellaneous receipts any surplus of the fund (all
14 assets, liabilities, and prior losses considered) above the
15 amounts transferred or appropriated to establish and
16 maintain such fund. There shall be transferred to the fund
17 the stocks of supplies, equipment, other assets, liabilities,
18 and unpaid obligations relating to the services which the
19 Commission determines, with the approval of the Director
20 of the Office of Management and Budget, will be per-
21 formed.

22 **SEC. 419. FUNDS TRANSFER.**

23 The Commission may, when authorized in an appro-
24 priation Act in any fiscal year, transfer funds from one
25 appropriation to another within the Commission, except

1 that no appropriation for any fiscal year shall be either
2 increased or decreased pursuant to this section by more
3 than 5 percent and no such transfer shall result in increas-
4 ing any such appropriation above the amount authorized
5 to be appropriated therefor.

6 **SEC. 420. SEAL OF COMMISSION.**

7 The Commission shall cause a seal of office to be
8 made for the Commission of such design as the Commis-
9 sion shall approve. Judicial notice shall be taken of such
10 seal.

11 **SEC. 421. ANNUAL REPORT.**

12 (a) CONTENTS.—The Commission shall, as soon as
13 practicable after the close of each fiscal year, make a sin-
14 gle, comprehensive report to the President for trans-
15 mission to the Congress on the activities of the Commis-
16 sion during such fiscal year. The report shall include a
17 statement of goals, priorities, and plans for the Commis-
18 sion together with an assessment of the progress made to-
19 ward—

20 (1) the attainment of such goals, priorities, and
21 plans; and

22 (2) the more effective and efficient management
23 of the Commission and the coordination of its func-
24 tions;

1 accompanied where necessary by recommendations for
2 proposed legislation for the achievement of such objectives.

3 (b) CONTRACTING-OUT ESTIMATE.—The report re-
4 quired by subsection (a) shall also include an estimate of
5 the extent of the non-Federal personnel employed pursu-
6 ant to contracts entered into by the Commission under
7 section 415 or under any other authority (including any
8 subcontract thereunder), the number of such contracts
9 and subcontracts pursuant to which non-Federal person-
10 nel are employed, and the total cost of those contracts and
11 subcontracts.

12 **SEC. 422. AUTHORIZATION OF APPROPRIATIONS.**

13 There are authorized to be appropriated—

14 (1) \$10,000,000 to carry out this Act; and

15 (2) such sums as may be necessary for fiscal
16 years 1995, 1996, and 1997 to carry out the func-
17 tions transferred by this Act to the Commission.

18 Funds appropriated pursuant to paragraph (1) of this sec-
19 tion are authorized to remain available until expended.

1 **TITLE V—TRANSITIONAL, SAV-**
2 **INGS, AND CONFORMING**
3 **PROVISIONS**

4 **SEC. 501. TRANSFER AND ALLOCATION OF APPROPRIA-**
5 **TIONS AND PERSONNEL.**

6 (a) IN GENERAL.—Except as otherwise provided in
7 this Act, the personnel employed in connection with, and
8 the assets, liabilities, contracts, property, records, and un-
9 expended balance of appropriations, authorizations, alloca-
10 tions, and other funds employed, held, used, arising from,
11 available to, or to be made available in connection with
12 the functions and offices, or portions thereof transferred
13 by this Act, subject to section 202 of the Budget and Ac-
14 counting Procedures Act of 1950, shall be transferred to
15 the Commission for appropriate allocation. Unexpended
16 funds transferred pursuant to this subsection shall be used
17 only for the purposes for which the funds were originally
18 authorized and appropriated.

19 (b) EXCEPTION.—Positions expressly specified by
20 statute or reorganization plan to carry out functions or
21 offices transferred by this Act, personnel occupying those
22 positions on the effective date of this Act, and personnel
23 authorized to receive compensation in such positions at the
24 rate prescribed for offices and positions at level IV or V
25 of the Executive Schedule (5 U.S.C. 5315–5316) on the

1 effective date of this Act, shall be subject to the provisions
2 of section 503.

3 **SEC. 502. EFFECT ON PERSONNEL.**

4 (a) PROTECTION AGAINST REDUCTION IN GRADE OR
5 COMPENSATION.—Except as otherwise provided in this
6 Act, the transfer pursuant to this title of full-time person-
7 nel (except special Government employees) and part-time
8 personnel holding permanent positions shall not cause any
9 such employee to be separated or reduced in grade or com-
10 pensation for one year after the date of transfer to the
11 Commission.

12 (b) EXECUTIVE LEVEL APPOINTEES.—Any person
13 who, on the day preceding the effective date of this Act,
14 held a position compensated in accordance with the Execu-
15 tive Schedule prescribed in chapter 53 of title 5, United
16 States Code, and who, without a break in service, is ap-
17 pointed in the Commission to a position having duties
18 comparable to the duties performed immediately preceding
19 such appointment shall continue to be compensated in
20 such new position at not less than the rate provided for
21 such previous position, for the duration of the service of
22 such person in such new position.

23 **SEC. 503. AGENCY TERMINATIONS.**

24 (a) TERMINATED AGENCIES.—On the effective date
25 of this Act, the following entities shall terminate:

1 (A) The Commodity Futures Trading Commis-
2 sion.

3 (B) The Securities and Exchange Commission.

4 (b) TERMINATED POSITIONS.—Each position which
5 was expressly authorized by law, or the incumbent of
6 which was authorized to receive compensation at the rate
7 prescribed for level III, IV, or V of the Executive Schedule
8 (5 U.S.C. 5315–5316), in an office terminated pursuant
9 to this Act shall also terminate.

10 **SEC. 504. INCIDENTAL TRANSFERS.**

11 (a) GENERAL AUTHORITY OF OMB.—The Director
12 of the Office of Management and Budget, at such time
13 or times as the Director shall provide, is authorized and
14 directed to make such determinations as may be necessary
15 with regard to the functions, offices, or portions thereof
16 transferred by this Act, and to make such additional inci-
17 dental dispositions of personnel, assets, liabilities, grants,
18 contracts, property, records, and unexpended balances of
19 appropriations, authorizations, allocations, and other
20 funds held, used, arising from, available to, or to be made
21 available in connection with such functions, offices, or por-
22 tions thereof, as may be necessary to carry out the provi-
23 sions of this Act. The Director shall provide for the termi-
24 nation of the affairs of all entities terminated by this Act

1 and for such further measures and dispositions as may
2 be necessary to effectuate the purposes of this Act.

3 (b) SES POSITIONS.—After consultation with the Di-
4 rector of the Office of Personnel Management, the Direc-
5 tor of the Office of Management and Budget is authorized,
6 at such time as the Director of the Office of Management
7 and Budget provides, to make such determinations as may
8 be necessary with regard to the transfer of positions with-
9 in the Senior Executive Service in connection with func-
10 tions and offices transferred by this Act.

11 **SEC. 505. SAVINGS PROVISIONS.**

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

15 (1) which have been issued, made, granted, or
16 allowed to become effective by the President, any
17 Federal department or agency or official thereof, or
18 by a court of competent jurisdiction, in the perform-
19 ance of functions which are transferred under this
20 Act to the Commission, and

21 (2) which are in effect at the time this Act
22 takes effect,

23 shall continue in effect according to their terms until
24 modified, terminated, superseded, set aside, or revoked in
25 accordance with the law by the President, the Commission,

1 or other authorized official, a court of competent jurisdic-
2 tion, or by operation of law.

3 (b) CONTINUITY OF PROCEEDINGS.—

4 (1) IN GENERAL.—The provisions of this Act
5 shall not affect any proceedings, including notices of
6 proposed rulemaking, or any application for any li-
7 cense, permit, certificate, or financial assistance
8 pending on the effective date of this Act before any
9 department, agency, commission, or component
10 thereof, functions of which are transferred by this
11 Act; but such proceedings and applications, to the
12 extent that they relate to functions so transferred,
13 shall be continued. Orders shall be issued in such
14 proceedings, appeals shall be taken therefrom, and
15 payments shall be made pursuant to such orders, as
16 if this Act had not been enacted; and orders issued
17 in any such proceedings shall continue in effect until
18 modified, terminated, superseded, or revoked by the
19 Commission, by a court of competent jurisdiction, or
20 by operation of law. Nothing in this subsection shall
21 be deemed to prohibit the discontinuance or modi-
22 fication of any such proceeding under the same
23 terms and conditions and to the same extent that
24 such proceeding could have been discontinued or
25 modified if this Act had not been enacted.

1 (2) REGULATIONS CONCERNING TRANSFERS.—

2 The Commission is authorized to promulgate regula-
3 tions providing for the orderly transfer of proceed-
4 ings continued under paragraph (1) to the Commis-
5 sion.

6 (c) PENDING LITIGATION.—Except as provided in
7 subsection (e)—

8 (1) the provisions of this Act shall not affect
9 suits commenced prior to the effective date of this
10 Act, and

11 (2) in all such suits, proceedings shall be had,
12 appeals taken, and judgments rendered in the same
13 manner and effect as if this Act had not been en-
14 acted.

15 (d) NONABATEMENT.—No suit, action, or other pro-
16 ceeding commenced by or against any officer in the official
17 capacity of such individual as an officer of any department
18 or agency, functions of which are transferred by this Act,
19 shall abate by reason of the enactment of this Act. No
20 cause of action by or against any department or agency,
21 functions of which are transferred by this Act, or by or
22 against any officer thereof in the official capacity of such
23 officer shall abate by reason of the enactment of this Act.

24 (e) SUBSTITUTION OF PARTIES.—If, before the date
25 on which this Act takes effect, any department or agency,

1 or officer thereof in the official capacity of such officer,
2 is a party to a suit, and under this Act any function of
3 such department, agency, or officer is transferred to the
4 Commission or any other official of the Commission, then
5 such suit shall be continued with the Commission or other
6 appropriate official of the Commission substituted or
7 added as a party.

8 (f) JUDICIAL REVIEW AS REQUIRED BY EXISTING
9 LAW.—Orders and actions of the Commission in the exer-
10 cise of functions transferred under this Act shall be sub-
11 ject to judicial review to the same extent and in the same
12 manner as if such orders and actions had been by the
13 agency or office, or part thereof, exercising such functions
14 immediately preceding their transfer. Any statutory re-
15 quirements relating to notice, hearings, action upon the
16 record, or administrative review that apply to any function
17 transferred by this Act shall apply to the exercise of such
18 function by the Commission.

19 **SEC. 506. SEPARABILITY.**

20 If any provision of this Act or the application thereof
21 to any person or circumstance is held invalid, neither the
22 remainder of this Act nor the application of such provision
23 to other persons or circumstances shall be affected there-
24 by.

1 **SEC. 507. REFERENCE.**

2 With respect to any function transferred by this Act
3 and exercised on or after the effective date of this Act,
4 reference in any other Federal law to any department,
5 commission, or agency or any officer or office the func-
6 tions of which are so transferred shall be deemed to refer
7 to the Commission, other official, or component of the
8 Commission to which this Act transfers such functions.

9 **SEC. 508. AMENDMENTS.**

10 (a) EXECUTIVE SCHEDULE SALARIES.—

11 (1) CHAIRMAN.—Section 5314 of title 5, United
12 States Code, is amended—

13 (A) by striking “Chairman, Securities and
14 Exchange Commission.” and inserting “Chair-
15 man, Markets and Trading Commission.”; and

16 (B) by striking “Chairman, Commodity
17 Futures Trading Commission.”.

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

20 (A) by striking “Members, Securities and
21 Exchange Commission” and inserting “Mem-
22 bers, Markets and Trading Commission”; and

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

25 (b) CONFORMING AMENDMENTS.—

1 (1) SECURITIES EXCHANGE ACT.—Sections 4
2 and 35 of the Securities Exchange Act of 1934 are
3 repealed.

4 (2) COMMODITY EXCHANGE ACT.—Section 2(a)
5 of the Commodity Exchange Act is amended by
6 striking paragraphs (2), (3), and (4).

7 **SEC. 509. TRANSITION.**

8 With the consent of the appropriate department or
9 agency head concerned, the Commission is authorized to
10 utilize the services of such officers, employees, and other
11 personnel of the departments and agencies from which
12 functions or offices have been transferred to the Commis-
13 sion, and funds appropriated to such functions or offices
14 for such period of time as may reasonably be needed to
15 facilitate the orderly implementation of this Act.

16 **TITLE VI—EFFECTIVE DATE**

17 **SEC. 601. EFFECTIVE DATE.**

18 (a) IN GENERAL.—The provisions of this Act shall
19 take effect 180 days after the first Commissioner takes
20 office, or on any later date on or before October 1, 1995,
21 as the President may prescribe and publish in the Federal
22 Register, except that at any time on or after the date of
23 enactment of this Act—

1 (1) any of the officers provided for in title II
2 of this Act may be nominated and appointed, as pro-
3 vided in such title; and

4 (2) the Commission may promulgate regulations
5 pursuant to section 505(b)(2) of this Act.

6 (b) TRANSITION EXPENSES.—Funds available to any
7 department or agency (or any official department or agen-
8 cy or any official or component thereof), the functions or
9 offices of which are transferred to the Commission by this
10 Act, may, with the approval of the Director of the Office
11 of Management and Budget, be used to pay the compensa-
12 tion and expenses of any officer appointed pursuant to this
13 title and other transitional and planning expenses associ-
14 ated with the establishment of the Commission or transfer
15 of functions or offices thereto until such time as funds
16 for such purposes are otherwise available.

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