



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

December 14, 2011

**H.R. 2586
Swap Execution Facility Clarification Act**

*As ordered reported by the House Committee on Financial Services
on November 30, 2011*

The Dodd-Frank Wall Street Reform and Consumer Protection Act established entities known as swap execution facilities (SEFs) where multiple parties are able to trade swaps. (A swap is a contract that calls for an exchange of cash between two participants based on an underlying rate or index, or on the performance of an asset).

H.R. 2586 would amend the definition of an SEF to prevent the regulatory agencies—the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC)—from imposing certain requirements on such facilities. The bill would prevent the agencies from developing regulations that require an SEF to follow certain business practices, such as setting a minimum number of participants to receive a bid.

Neither the CFTC nor the SEC has finalized regulations regarding swap execution facilities. Based on information from the two agencies, CBO expects that incorporating the provisions of H.R. 2586 at this point in the regulatory process would not have a significant effect on the workload of either agency. Therefore, CBO estimates that any change in discretionary spending to implement the legislation, which would be subject to the availability of appropriated funds, would not be significant. Enacting H.R. 2586 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2586 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.