

116TH CONGRESS  
2D SESSION

# H. R. 7046

To amend the Bank Holding Company Act of 1956 to place certain limitations on commodity ownership and to repeal the merchant banking authority, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 28, 2020

Mr. CASTEN of Illinois introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Bank Holding Company Act of 1956 to place certain limitations on commodity ownership and to repeal the merchant banking authority, 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. LIMITATIONS ON COMMODITY OWNERSHIP**  
4 **AND REPEAL OF THE MERCHANT BANKING**  
5 **AUTHORITY.**

6 (a) IN GENERAL.—Section 4 of the Bank Holding  
7 Company Act of 1956 (12 U.S.C. 1843) is amended—

8 (1) in subsection (k)—

1 (A) in paragraph (1), by striking “(by reg-  
2 ulation or order)” and inserting “, by regula-  
3 tion”;

4 (B) in paragraph (2)—

5 (i) in the heading, by striking “SEC-  
6 RETARY OF THE TREASURY” and inserting  
7 “SECRETARY OF THE TREASURY AND THE  
8 FEDERAL DEPOSIT INSURANCE CORPORA-  
9 TION”; and

10 (ii) by adding at the end the fol-  
11 lowing:

12 “(C) JOINT DETERMINATION WITH THE  
13 FEDERAL DEPOSIT INSURANCE CORPORA-  
14 TION.—For purposes of paragraph (1), the  
15 Board may only make a determination that an  
16 activity is complementary to a financial activity  
17 and does not pose a substantial risk to the safe-  
18 ty or soundness of depository institutions or the  
19 financial system generally, if such determina-  
20 tion is made jointly, by rule, with the Federal  
21 Deposit Insurance Corporation.”;

22 (C) in paragraph (4)—

23 (i) by striking subparagraph (H); and

24 (ii) by redesignating subparagraph (I)  
25 as subparagraph (H); and

1 (D) by striking paragraph (7);

2 (2) in subsection (l)—

3 (A) in paragraph (1), by striking “sub-  
4 section (k), (n), or (o)” each place such term  
5 appears and inserting “subsection (k) or (n)”;  
6 and

7 (B) in paragraph (2)(B), by striking “sub-  
8 paragraph (H) or (I)” and inserting “subpara-  
9 graph (H)”;

10 (3) in subsection (m)(1)(A), by striking “sub-  
11 section (k), (n), or (o)” and inserting “subsection  
12 (k) or (n)”;

13 (4) in subsection (n)(5), by striking “subpara-  
14 graph (H) or (I)” each place such term appears and  
15 inserting “subparagraph (H)”;

16 (5) by striking subsection (o).

17 (b) CONFORMING AMENDMENT.—Section  
18 3(a)(4)(B)(vi) of the Securities Exchange Act of 1934 (15  
19 U.S.C. 78c(a)(4)(B)(vi)) is amended by striking “other  
20 than” and all that follows through the end and inserting  
21 “other than a registered broker or dealer.”.

22 (c) RULEMAKING.—The Board of Governors of the  
23 Federal Reserve System shall—

24 (1) issue rules to carry out the amendments  
25 made by this section; and

