

SB-31

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IN THE SENATE OF THE AMERICAN LEGION BOYS NATION

Mr. Hamdan of Ohio introduced the following bill;

A BILL

This act builds off of both Dodd-Frank and Glass-Steagall by creating financial transparency. The Wall Street Reform Act aims to not only regulate the financial markets while protecting consumers from financial malpractice.

Be it enacted by The American Legion Boys Nation Senate assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "The Wall Street Reform Act".

SECTION 2. The Volcker Rule

(1) Be it enacted a complete reinstallment of the Volcker Rule:

(A) Banks may act as agents for their customers in the purchase and sale of securities without recourse, but it shall be prohibited for banks from dealing in (purchasing or selling) securities for their own accounts.

(B) Any and all action of proprietary trading shall be prohibited

(C) Any financial institution cannot invest in, or sponsor: hedge funds, private equity funds, or other trading operations for their use.

(D) Repeated violations shall be charged and observed at the discretion of the Federal Reserve

Section 3. Firewalls

(2) Firewalls, both legal and regulatory, to help separate a company's banking and nonbanking activities shall be implemented to protect bank safety and prevent conflict-of-interest abuses under the jurisdiction of the federal reserve by promoting:

(A) Legal separation so that banks are not legally liable for their affiliates' debts

(B) Economic separation that prohibits banks from excessively aiding their affiliates

(C) Psychological separation that keeps the public from perceiving banks and their affiliates as one entity.

(3) Attempts to construct firewalls must consider the:

(A) Benefits of such strategies against the potential reduction of benefits from regulation repeal or relaxation

(B) Use of firewalls in combination with other legal and regulatory mechanisms to encourage sound and safe bank operation.

Section 4. Revenue

(4) To maintain transparency, companies and other affiliates of state member banks shall be required to make three reports annually regarding their financial activities to their Federal Reserve Bank and the Federal Reserve Board.

(5) Only 10% of commercial banks' total income could stem from securities. However, an exception allowed commercial banks to underwrite government-issued bonds.

(6) Long-term capital gains or appreciation on assets held for more than one year shall be raised to a 20% tax.

(A) Capital gains tax rates on most assets held for less than a year correspond to ordinary income tax brackets