

(3) the hybrid instrument is not predominantly a banking product under the predominance test set forth in section 27c(b) of this title.

**(b) Consultation**

Before commencing a rulemaking or making a determination pursuant to a rule issued under sections 27 to 27f of this title, the Commodity Futures Trading Commission shall consult with and seek the concurrence of the Board of Governors of the Federal Reserve System concerning—

- (1) the nature of the hybrid instrument; and
- (2) the history, purpose, extent, and appropriateness of the regulation of the hybrid instrument under the Commodity Exchange Act [7 U.S.C. 1 et seq.] and under appropriate banking laws.

**(c) Objection to Commission regulation**

**(1) Filing of petition for review**

The Board of Governors of the Federal Reserve System may obtain review of any rule or determination referred to in subsection (a) in the United States Court of Appeals for the District of Columbia Circuit by filing in the court, not later than 60 days after the date of publication of the rule or determination, a written petition requesting that the rule or determination be set aside. Any proceeding to challenge any such rule or determination shall be expedited by the court.

**(2) Transmittal of petition and record**

A copy of a petition described in paragraph (1) shall be transmitted as soon as possible by the Clerk of the court to an officer or employee of the Commodity Futures Trading Commission designated for that purpose. Upon receipt of the petition, the Commission shall file with the court the rule or determination under review and any documents referred to therein, and any other relevant materials prescribed by the court.

**(3) Exclusive jurisdiction**

On the date of the filing of a petition under paragraph (1), the court shall have jurisdiction, which shall become exclusive on the filing of the materials set forth in paragraph (2), to affirm and enforce or to set aside the rule or determination at issue.

**(4) Standard of review**

The court shall determine to affirm and enforce or set aside a rule or determination of the Commodity Futures Trading Commission under this section, based on the determination of the court as to whether—

(A) the subject product is predominantly a banking product; and

(B) making the provision or provisions of the Commodity Exchange Act [7 U.S.C. 1 et seq.] at issue applicable to the subject instrument is appropriate in light of the history, purpose, and extent of regulation under such Act, sections 27 to 27f of this title, and under the appropriate banking laws, giving deference neither to the views of the Commodity Futures Trading Commission nor the Board of Governors of the Federal Reserve System.

**(5) Judicial stay**

The filing of a petition by the Board pursuant to paragraph (1) shall operate as a judicial stay, until the date on which the determination of the court is final (including any appeal of the determination).

**(6) Other authority to challenge**

Any aggrieved party may seek judicial review pursuant to section 6(c) of the Commodity Exchange Act [7 U.S.C. 9] of a determination or rulemaking by the Commodity Futures Trading Commission under this section.

(Pub. L. 106-554, §1(a)(5) [title IV, § 406], Dec. 21, 2000, 114 Stat. 2763, 2763A-459.)

REFERENCES IN TEXT

The Commodity Exchange Act, referred to in subsecs. (a), (b)(2), and (c)(4)(B), is act Sept. 21, 1922, ch. 369, 42 Stat. 998, as amended, which is classified generally to this chapter. For complete classification of this Act to the Code, see section 1 of this title and Tables.

CODIFICATION

Section was enacted as part of the Legal Certainty for Bank Products Act of 2000, and also as part of the Commodity Futures Modernization Act of 2000, and not as part of the Commodity Exchange Act which comprises this chapter.

**§ 27e. Repealed. Pub. L. 111-203, title VII, § 725(g)(1)(A), July 21, 2010, 124 Stat. 1694**

Section, Pub. L. 106-554, §1(a)(5) [title IV, § 407], Dec. 21, 2000, 114 Stat. 2763, 2763A-461, related to exclusion of covered swap agreements.

EFFECTIVE DATE OF REPEAL

Repeal effective on the later of 360 days after July 21, 2010, or, to the extent a provision of subtitle A (§§ 711-754) of title VII of Pub. L. 111-203 requires a rulemaking, not less than 60 days after publication of the final rule or regulation implementing such provision of subtitle A, see section 754 of Pub. L. 111-203, set out as an Effective Date of 2010 Amendment note under section 1a of this title.

**§ 27f. Contract enforcement**

**(a) Hybrid instruments**

No hybrid instrument shall be void, voidable, or unenforceable, and no party to a hybrid instrument shall be entitled to rescind, or recover any payment made with respect to, a hybrid instrument under any provision of Federal or State law, based solely on the failure of the hybrid instrument to satisfy the predominance test set forth in section 27c(b) of this title or to comply with the terms or conditions of an exemption or exclusion from any provision of the Commodity Exchange Act [7 U.S.C. 1 et seq.] or any regulation of the Commodity Futures Trading Commission.

**(b) Preemption**

Sections 27 to 27f of this title shall supersede and preempt the application of any State or local law that prohibits or regulates gaming or the operation of bucket shops (other than anti-fraud provisions of general applicability) in the case of a hybrid instrument that is predominantly a banking product.

(Pub. L. 106-554, §1(a)(5) [title IV, § 408], Dec. 21, 2000, 114 Stat. 2763, 2763A-461; Pub. L. 111-203,

title VII, §725(g)(1)(C), July 21, 2010, 124 Stat. 1694.)

#### REFERENCES IN TEXT

The Commodity Exchange Act, referred to in subsec. (a), is act Sept. 21, 1922, ch. 369, 42 Stat. 998, as amended, which is classified generally to this chapter. For complete classification of this Act to the Code, see section 1 of this title and Tables.

#### CODIFICATION

Section was enacted as part of the Legal Certainty for Bank Products Act of 2000, and also as part of the Commodity Futures Modernization Act of 2000, and not as part of the Commodity Exchange Act which comprises this chapter.

#### AMENDMENTS

2010—Subsec. (b). Pub. L. 111-203, §725(g)(1)(C)(ii), (iii), redesignated subsec. (c) as (b) and struck out former subsec. (b). Text of subsec. (b) read as follows: “No covered swap agreement shall be void, voidable, or unenforceable, and no party to a covered swap agreement shall be entitled to rescind, or recover any payment made with respect to, a covered swap agreement under any provision of Federal or State law, based solely on the failure of the covered swap agreement to comply with the terms or conditions of an exemption or exclusion from any provision of the Commodity Exchange Act or any regulation of the Commodity Futures Trading Commission.”

Subsec. (c). Pub. L. 111-203, §725(g)(1)(C)(iii), redesignated subsec. (c) as (b).

Pub. L. 111-203, §725(g)(1)(C)(i), substituted “in the case of” for “in the case of—”, struck out par. (1) designation before “a hybrid”, substituted “product.” for “product; or”, and struck out par. (2) which read as follows: “a covered swap agreement.”

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the later of 360 days after July 21, 2010, or, to the extent a provision of subtitle A (§§711-754) of title VII of Pub. L. 111-203 requires a rulemaking, not less than 60 days after publication of the final rule or regulation implementing such provision of subtitle A, see section 754 of Pub. L. 111-203, set out as a note under section 1a of this title.

## CHAPTER 2—COTTON STANDARDS

Sec.	
51.	Short title.
51a.	Extension of classification facilities to cotton growers.
51a-1.	Contracts with cooperatives furnishing classers; amount and type of payment.
51b.	Licensing samplers; revocation and suspension of license.
52.	Use of nonofficial standards prohibited; sales by sample excepted.
53.	Licensing classifiers; revocation and suspension of license.
54.	Classification by Department of Agriculture; certification thereof; effect of certificate; regulations for classification.
55.	Fees and charges for cotton classing and related services; criteria; disposition of monies and samples.
56.	Establishment of cotton standards; furnishing copies of established standards sold.
57.	Disposition of proceeds of sale of cotton and of copies of standards.
57a.	Agreements with cotton associations, etc., in foreign countries to establish cotton standards.
58.	General inspection and sampling of cotton.
59.	Offenses in relation to cotton standards.
60.	Penalties for violations.

Sec.	
61.	General regulations, investigations, tests, etc., by Secretary.
61a.	Annual review meetings with cotton industry representatives; purposes, etc.
62.	Definitions.
63.	Liability of principal for act of agent.
64.	Appropriation for expenses; appointment by Secretary of officers and agents; compensation.
65.	Separability.

### § 51. Short title

This chapter shall be known by the short title of “United States Cotton Standards Act.”

(Mar. 4, 1923, ch. 288, §1, 42 Stat. 1517.)

#### EFFECTIVE DATE

Act Mar. 4, 1923, ch. 288, §14, 42 Stat. 1520, provided: “That this Act [enacting this chapter] shall become effective on and after August 1, 1923.”

### § 51a. Extension of classification facilities to cotton growers

The Secretary of Agriculture is requested to extend to cotton growers facilities for the classification of cotton authorized in this chapter, with such supervision of licensed classifiers as he shall deem necessary under authority of the United States Cotton Futures Act.

(Mar. 4, 1933, ch. 284, §1, 47 Stat. 1621.)

#### REFERENCES IN TEXT

The United States Cotton Futures Act, referred to in text, is part A of act Aug. 11, 1916, ch. 313, 39 Stat. 476, as amended, which was repealed by section 4 of act Feb. 10, 1939, ch. 2, 53 Stat. 1. For complete classification of this Act to the Code prior to its repeal, see Tables.

#### CODIFICATION

This section was not enacted as part of the United States Cotton Standards Act which comprises this chapter.

### § 51a-1. Contracts with cooperatives furnishing classers; amount and type of payment

On and after July 5, 1952, the Secretary may contract with cooperatives furnishing classers and other facilities for classing cotton and may pay for such services an amount, some part of which may be in kind, not in excess of the value of the samples.

(July 5, 1952, ch. 574, title I, §101, 66 Stat. 349.)

#### CODIFICATION

Section was enacted as part of the Department of Agriculture Appropriation Act, 1953, and not as part of the United States Cotton Standards Act which comprises this chapter.

### § 51b. Licensing samplers; revocation and suspension of license

Further to carry out the purposes of this chapter the Secretary of Agriculture is authorized to issue to any qualified person, upon presentation of satisfactory evidence of competency, a license to sample cotton. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied that such licensee is incompetent or has knowingly or carelessly sampled cotton improperly, or has vio-