Goldman Sachs Asset Management, L.P. | 200 West Street | New York, New York 10282

January 16, 2024

Via Federal eRulemaking Portal

Chief Counsel's Office Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E–218
Washington, D.C. 20219
Docket No. OCC-2023-0008

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551
Docket No. R-1814; RIN 7100-AG64

James P. Sheesley
Assistant Executive Secretary
Attention: Comments/Legal OES (RIN 3064-AF29)
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429

Re: Regulatory Capital Rule: Amendments applicable to large banking organizations and to banking organizations with significant trading activity (OCC Docket No. ID OCC-2023-0008; Federal Reserve Docket No. R-1814, RIN 7100-AG64; FDIC RIN 3064-AF29);[1] Regulatory Capital Rule: Risk-Based Capital Surcharges for Globally Systemically Important Bank Holding Companies; Systemic Risk Report (FR Y-15) (Federal Reserve Docket No. R-1814; RIN 7100-AG65)[2]

Ladies and Gentlemen:

Goldman Sachs Asset Management, L.P. ("GSAM" or "we")[3] appreciates the opportunity to comment on the jointly issued Notice of Proposed Rulemaking to modify the regulatory capital

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[1] The Notice of Proposed Rulemaking was jointly issued by the Office of the Comptroller of the Currency ("OCC"), the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the Federal Deposit Insurance Corporation (the "FDIC" and, collectively with the OCC and the Federal Reserve, the "Agencies"), *Regulatory Capital Rule: Amendments to Large Banking Organizations and to Banking Organizations with Significant Trading Activity*, 88 Fed. Reg. 64028 (Sept. 18, 2023).

[2] Federal Reserve, *Regulatory Capital Rule: Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies; Systemic Risk Report (FR Y-15)*, 88 Fed. Reg. 60385 (Sept. 1, 2023).

[3] Goldman Sachs Asset Management, L.P. is a full-service registered investment advisory subsidiary of The Goldman Sachs Group, Inc. ("GS Group"). References to GSAM in this letter refer collectively to Goldman Sachs Asset Management, L.P. and its advisory affiliates within the asset and wealth management segment of GS Group. GSAM is one of the leading global asset management firms with approximately $2.8 trillion in assets under supervision worldwide as of

(....continued)

rules applicable to large banking organizations and banking organizations with significant trading activity,[4] which would implement the final components of the Basel III capital standards, typically referred to as the Basel III endgame ("B3E Proposal"), as well as the Federal Reserve's notice of proposed rulemaking to modify its risk-based capital surcharge for global systemically important banking organizations (the "GSIB Surcharge" and "GSIBs," respectively) (the proposed modification being the "GSIB Surcharge Proposal," and collectively with the B3E Proposal, the "Proposals").

As an asset manager and investor, GSAM understands the importance of banking policies to promote and safeguard the strength and resiliency of the U.S. banking system and, as such, we do not typically weigh in on banking regulations or bank capital requirements. GSAM, however, has serious concerns with several aspects of the Proposals, which fail to consider or address the wide-ranging, adverse effects on asset managers and, more importantly, our fiduciary clients and fund investors, which include pensions, endowments, charities, insurers, quasi-governmental agencies, 401(k) and tax-advantaged plans for retirement planning and Main Street individuals saving for college, retirement or other goals. This, in turn, could negatively impact the broader U.S. economy. These harmful effects on our clients could include, but are not limited to, increased costs, reduced liquidity or services provided by banking organizations, custodians, dealers and clearing members, a diminished ability to hedge investment risks and concentration of counterparty exposures. Such negative outcomes would not be justified by the associated benefits to the safety and soundness of banking organizations and may, in some cases, undermine the goals of the Agencies in promulgating the Proposals. We believe the Agencies should consider how their goals may be achieved without unnecessary burdens to efficient market functioning, which ultimately will reduce or make more expensive our clients' access to investment products and services. We also believe the Agencies should consider the ways in which the goals pursued under the Proposals have been addressed by the implementation of a myriad of macroprudential and market structure reforms since the Global Financial Crisis of 2007-2008.

We believe the breadth of the comments submitted to the Agencies, the Federal Reserve's ongoing data collection and the structural flaws we and others highlight justify re-proposal of both U.S. implementation of final components of the Basel III endgame standards as well as any modification to the GSIB Surcharge. In the alternative, we encourage the Agencies to fundamentally recalibrate the Proposals to address the adverse effects detailed in this comment letter and the comment letters identified herein.[5] Below we identify eight aspects of the Proposals that are most relevant to GSAM and its fiduciary clients and fund investors that we believe merit emphasis.

December 31, 2023. GSAM oversees assets on behalf of a wide array of institutional and individual clients as well as publicly registered and private funds, across fixed income, short-term liquidity, equity, quantitative, alternatives and multi-asset strategies. Our global client base includes pension and retirement plans, insurance companies, endowments, charities, municipalities, quasi-governmental agencies and other financial institutions, as well as high net worth individuals and retail investors.

[4] 12 C.F.R. Parts 3 (OCC), 217 (Federal Reserve) and 324 (FDIC) (collectively, the "capital rules").

[5] We generally share and agree with the concerns and recommendations submitted by the Investment Company Institute ("ICI") and the Securities Industry and Financial Markets Association Asset Management Group ("SIFMA AMG").

Discussion

1. **The preferential risk weight for investment grade corporate exposures to entities with publicly traded securities could adversely affect the ability of asset managers on behalf of their clients to access financial markets.**

The B3E Proposal would change the capital treatment of investment grade corporate exposures in two ways which would be especially impactful for asset managers like GSAM and our clients. First, corporate exposures under the current U.S. capital rules would be divided into two categories subject to two different risk weights: (i) 65% investment grade exposures issued by a corporate entity with, or controlled by an entity with, publicly traded securities outstanding, and (ii) 100% for all other corporate exposures.[6] Second, and relatedly, the B3E Proposal would permit banking organizations to recognize the risk-mitigating benefits of corporate securities that meet the definition of financial collateral only if the issuer of such a security has a public traded security outstanding or is controlled by such an issuer.[7]

Many investment funds and end users of financial products are highly creditworthy, but do not have publicly traded securities outstanding. The public listing distinction under the B3E Proposal may result in such other entities unduly facing a reduced availability of credit (including overdraft protection and other credit facilities provided in the ordinary course by custodians to funds and other investors) relative to corporate entities that happen to have publicly traded securities outstanding, despite the actual creditworthiness of such entities.

In particular, investment companies registered under the Investment Company Act of 1940 ("the '40 Act") ("registered investment companies" or "RICs"), business development companies and the foreign equivalents of each (collectively, "registered funds") are subject to regulatory frameworks that enhance creditworthiness and transparency, justifying comparable capital treatment to that which would apply to publicly traded corporate entities. In addition, there is no compelling reason under the B3E Proposal why a U.S. mutual fund or a foreign equivalent thereof with nearly identical strategies and subject to similar '40 Act requirements as an exchange-traded fund ("ETF") would not qualify for the same preferential risk weight solely because the U.S. mutual fund or foreign equivalent does not have publicly traded securities. For related reasons, exposures to employee benefit plans as defined in 29 U.S.C. § 1002(3) and governmental plans as defined in 29 U.S.C. § 1002(32) that comply with the tax deferral qualification requirements provided in the Internal Revenue Code ("employee plans") and insurance companies should qualify for similar preferential risk weight.[8] Finally, collective investment trusts ("CITs" and, collectively with registered funds and employee plans, regulated investment vehicles or "RIVs"), as funds administered by banks and subject to supervision and regulation by the Agencies, should qualify for similar preferential risk weight.

In addition, banking organizations with exposures to private funds may secure contractual rights to financial information which provides transparency with respect to such funds, permitting

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[6] § _.111(h) (B3E Proposal). Under the B3E Proposal, corporate exposures are exposures to a company which do not fall under any other exposure category. For instance, an exposure which qualifies as a real estate exposure would not be a corporate exposure for purposes of calculating capital risk weights.

[7] § _.121(a)(3) (B3E Proposal).

[8] Employee plans provide investors and the public with audited financial statements and relevant disclosures related to their governance, operations and risks. Federal securities laws and state statutory requirements generally require such plans to provide at least as much transparency as publicly traded companies. *See, e.g.*, Cal. Gov't Code § 20228.

banking organizations to evaluate their creditworthiness on an ongoing basis. Many private funds may be similarly required to provide lenders with statements of net asset value and notices of material events, such as new commitments, significant investor defaults or material changes in the value of a portfolio company. Banking organizations therefore often have access to financial and related information for private funds, thereby obtaining transparency and information about the creditworthiness of counterparty private funds.

Finally, many institutional clients on whose behalf we invest or trade are subject to reporting and other requirements which, as in the case of employee plans, render those institutional clients highly creditworthy and transparent.[9] Like RIVs and private funds (which provide financial information to banking organizations as a contractual obligation), these investors generally do not have publicly traded securities outstanding. These investors are important both as providers of capital and liquidity as well as financial market conduits, for example, to help individuals invest for retirement.

Because we do not believe that the public listing requirement is sufficiently related to creditworthiness or transparency for corporate exposures to justify its inclusion as a requirement for preferential risk weighting, we recommend that the Agencies eliminate it. If the Agencies do not eliminate the public listing requirement for corporate exposures to qualify for a risk weighting of 65%, we recommend the Agencies expand the group of corporate exposures that would qualify for such preferential capital treatment to include (i) investment grade exposures to RIVs; (ii) investment grade exposures to private funds that are subject to a contractual requirement to provide quarterly financial reporting to the banking organization; and (iii) investment grade exposures in which the end user is an institutional investor subject to a contractual or regulatory reporting requirement. Similarly, we recommend the Agencies expand the group of corporate securities eligible to be risk-mitigating collateral to include these types of exposures.

2. **Minimum haircut floors for securities financing transactions ("SFTs") would reduce the provision of securities lending, reducing the ability of GSAM and other asset managers to lend securities and effectively manage client needs.**

Under the B3E Proposal, SFTs between a banking organization and an unregulated financial institution would be subject to minimum haircut floors. The Agencies suggest that minimum haircut floors would "would reflect the risk exposure of banking organizations to non-bank financial entities that employ leverage and engage in maturity transformation but that are not subject to prudential regulation."[10]

We are concerned that the definition of unregulated financial institution would require the application of minimum haircut floors beyond the scope of the risks identified by the Agencies. "Unregulated financial institution" would be defined by reference to the term "financial institution," which excludes RICs, foreign equivalents to RICs and employee plans.[11] We appreciate that, as a result, the proposed definition of unregulated financial institution would exclude these entities from the scope of the minimum haircut floors.

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[9] *See, e.g.*, CAL. PUB. EMPLOYEES' RET. SYS. TOTAL FUND INV. POL'Y 12-13 (2023), https://www.calpers.ca.gov/docs/total-fund-investment-policy.pdf.

[10] 88 Fed. Reg. 64063.

[11] B3E Proposal § 217.2 (definition of "unregulated financial institution"); 12 C.F.R. § 217.2 (definition of "financial institution").

Nevertheless, "unregulated financial institutions" could include other important buy-side participants in SFTs, the application of minimum haircut floors to which would make some transactions uneconomical, undermining market functioning and, in turn, liquidity. Ultimately, opportunities would be reduced for clients whose assets are managed by asset managers, such as GSAM, to earn lending revenue from securities holdings. In turn, such reduction in revenue could reduce returns for such clients and their underlying investors.

In light of the considerable potential adverse effects on price discovery and related benefits to market functioning and liquidity, we urge the Agencies to decline to adopt any minimum haircut floors before undertaking more research and analysis to understand their potential effects. This deferral would be consistent with approaches taken in the United Kingdom[12] and European Union,[13] which are not implementing Basel III standards for SFTs until more information is available with respect to their effects on financial markets. Alternatively, we encourage the Agencies to adopt several revisions which would tailor the scope of minimum haircut floors to the Agencies' identified risks of leverage and maturity transformation:

- First, for analogous reasons related to creditworthiness and transparency set out in the above discussion of preferential risk weight for investment grade corporate exposures, all RIVs should be excluded from the definition of financial institution or otherwise excluded from the scope of minimum haircut floors.
- Second, the definition of unregulated financial institution should be tailored to include only those market participants which have significant leverage and engage in maturity transformation.
- Third, minimum haircut floors should not apply where a banking organization has current or near-term reasonably anticipated uses or needs for securities, where any written documentation requirement should be able to be satisfied through ordinary course books and records.
- Fourth, minimum haircut floors should not apply where a banking organization undertakes a repo-style transaction in such a way that it retains sufficient liquidity across its collateral pool to satisfy transaction unwinds, which should include at least investments in cash or readily and marketable securities.
- Fifth, minimum haircut floors should not apply where a banking organization undertakes a repo-style transaction or eligible margin loan to the extent that U.S. Treasury securities or debt securities issued by government-sponsored enterprises are used to collateralize or are sold subject to repurchase in such a transaction.

3. Credit valuation adjustment (CVA) risk capital requirements would increase hedging costs.

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[12] Bank of England, *Consultation Paper 16/22 – Implementation of the Basel 3.1 Standards*, Nov. 30, 2022, https://www.bankofengland.co.uk/prudential-regulation/publication/2022/november/implementation-of-the-basel-3-1-standards.

[13] Eur. Comm'n, *Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as Regards Requirements for Credit Risk, Credit Valuation Adjustment Risk, Operational Risk, Market Risk and the Output Floor 2021/0342* 43 (2021).

Under the B3E Proposal, Category I – IV banking organizations would be required to hold capital against CVA losses, which would include losses for derivatives transactions with all end-users. It would also modify the calculation methods for such losses, with the effect of increasing capital requirements for CVA risk generally. Finally, it would introduce a margin period of risk, which requires an exposure model to assume that a counterparty will not post or return any collateral within a certain time period immediately prior to that time point. As a result of these changes, the costs of hedging may increase or liquidity in some derivatives markets may decline, making it more difficult for asset managers like GSAM to hedge risk and execute strategies on behalf of their clients. We have three recommendations with respect to CVA risk capital requirements:

- First, we recommend that the Agencies exempt (i) RIVs; (ii) private funds that are subject to a contractual requirement to provide quarterly financial reporting to the banking organization; and (iii) end users that are institutional investors subject to a contractual or regulatory reporting requirement from the scope of CVA risk covered positions. As discussed above, because these entities are subject to a variety of regulatory and contractual requirements which increase their creditworthiness and disclosures relative to other counterparties and because the adverse effects of the application of CVA risk capital requirements in the context of them may be significant, this exemption would more appropriately calibrate the scope of such requirements.

- Second, if these entities are not exempted from CVA risk capital requirements, we recommend that CVA risk capital requirements in respect of each provide preferential risk weights relative to other market participants, reflecting increased creditworthiness and transparency of such exposures as discussed in the context of credit risk.

- Third, we recommend that CVA risk capital requirements not apply to all client-facing legs of cleared transactions.[14] This would better align CVA risk capital requirements to the treatment of CVA under U.S. GAAP. In addition, counterparty credit risk capital requirements already cover the scope of the potential loss in such circumstances where client collateral would be insufficient to cover CVA losses, so the addition of CVA risk capital requirements would be duplicative relative to actual, underlying risk. This capital treatment would also align with the Prudential Regulation Authority's exemption of client clearing transactions in the United Kingdom.[15] The B3E Proposal's overstatement of the CVA risks for client cleared swaps could reduce liquidity and clearing services offered by U.S. clearing members or cause them to be prohibitively expensive for certain clients and thereby frustrate the legislative goals under the Dodd-Frank Wall Street Reform and Consumer Protection Act to promote central clearing and mitigate counterparty risks.

4. **Operational risk capital requirements would unduly burden our clients' access to custody and associated services relative to the risks posed to banking organizations.**

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[14] Under the B3E Proposal, such exposures would be explicitly included in the scope of CVA risk covered positions, even though exposures to central counterparties for an offsetting transaction would not. See 88 Fed. Reg. at 64150-51, n. 428 (providing that, "in a client-facing derivative contract, where a clearing member banking organization either is acting as a financial intermediary and enters into an offsetting transaction with a QCCP or where it provides a guarantee on the performance of its client to a QCCP, the exposures would be included in CVA risk covered positions").

[15] Bank of England, *CP16/22 – Implementation of the Basel 3.1 Standards: Credit Valuation Adjustment and Counterparty Credit Risk*, https://www.bankofengland.co.uk/prudential-regulation/publication/2022/november/implementation-of-the-basel-3-1-standards/credit-valuation-adjustment.

Under the B3E Proposal, operational risk capital requirements would apply to banking organizations' fee-based services such as asset management activities. Revenues from fee-based services, such as asset management services like those provided by GSAM, diversify banking organizations' revenues and expose them to relatively low risk. In addition, GSAM's clients rely on such services provided by other banking organizations that act as service providers, such as custodian banks and banking organization affiliates that provide custody services, lines of credit or overdraft protection and execute transactions. As proposed, operational risk capital requirements would penalize asset managers affiliated with banking organizations, like GSAM, by (i) not accurately reflecting the risks associated with balance sheet-light fee-based businesses such as ours; and (ii) increasing the costs of these services provided to our clients. As a result, asset managers affiliated with banking organizations would be disadvantaged relative to their competitors not affiliated with banking organizations.

GSAM views its presence within Goldman Sachs as providing a source of healthy diversification to Goldman Sachs's other businesses and revenue sources. Activities such as asset and wealth management services are empirically associated with low operational risks.[16] With respect to the B3E Proposal, Federal Reserve Governor Michelle Bowman noted that "[d]iversification in revenue streams can enhance the stability and resilience of a bank, and excessive capital charges for these revenue-generating activities could create incentives for banks to roll back the progress they have made to diversify revenues."[17] We agree, and believe the B3E Proposal should be recalibrated to reflect the benefits of diversification to the safety and soundness of banking organizations.

In addition, investors benefit from the provision of asset management and other fee-based services by banking organizations. The significant capital requirements associated with the provision of such services under the B3E Proposal may reduce the willingness of banking organizations to provide such services, reducing the diversity and volume of services available in general. To the extent banking organizations remain as participants in such activities, they may pass along the higher costs associated with participation to clients. Finally, we hope the Agencies will consider the unique financial markets landscape of the United States which benefits from banking organizations' relatively increased participation in fee-based services.

We encourage the Agencies to consider the recommendations specified in comments submitted by the ICI, SIFMA AMG, the Bank Policy Institute, American Bankers Association and the Securities Industry and Financial Markets Association ("SIFMA").

5. The Fundamental Review of the Trading Book would reduce liquidity in traded securities, increasing costs and reducing fund managers' ability to meet clients' goals.

The B3E Proposal would apply new market-based capital requirements to a banking organization with more than $1 billion in trading assets and trading liabilities or more than 10% of a banking organization's total assets. It would also replace the value-at-risk based internal modeling used to measure market risk under current U.S. capital rules. These changes could reduce the

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[16] *See generally* ORX, BASEL III AND STANDARDIZED APPROACH TO CAPITAL: ANALYSIS OF ORX GLOBAL BANKING DATA IN RESPONSE TO REGULATORY REFORMS (2023), https:orx.org/resource/basel-iii-and-standardised-approaches-to-capital-2023 (explaining the weak relationship between the volume of fee-based activities and losses associated with such activities).

[17] *See* Federal Reserve, Statement by Governor Michelle Bowman on the Proposed Amendments to the Capital Framework (July 27, 2023), https://www.federalreserve.gov/newsevents/pressreleases/bowman-statement-20230727.htm.

willingness of banking organizations to deal in certain financial markets, reducing liquidity and, thereby, increase bid-ask spreads and requisite time for asset managers like GSAM to execute certain trading strategies. Both changes would adversely affect asset managers' ability to serve their clients.

We encourage the Agencies to carefully consider the results and limitations of the data collection related to the B3E Proposal and the recommendations specified in comments submitted by ICI, SIFMA AMG, the International Swaps and Derivatives Association and SIFMA, calibrating market risk capital requirements accordingly.

6. **Changes to the capital requirement for equity exposures to unconsolidated financial institutions would affect the ability of investment advisers and their affiliates to seed investment funds.**

The B3E Proposal would remove the preferential 100% risk weight treatment for non-significant investments in unconsolidated financial institutions ("UFIs") below the current 10% of total capital deduction threshold. It therefore would require banking organizations to apply a 400% risk weight if that exposure is an equity exposure that is not publicly traded. In addition, equity exposures to seed investments also could constitute market risk covered positions, subject to calculation according to capital requirements for market risk.

It is common practice for investment advisers or their affiliates to seed new U.S. and foreign registered funds in order to establish an investment track record before third party investors will invest in such funds. As third-party investors invest into these funds, the adviser's or its affiliate's passive investment therein is typically reduced accordingly, on the timelines required by the Volcker Rule and other agency guidance. The proposed elimination of the 100% risk weight up to 10% of a banking organization's total capital would impede the ability of investment advisers or their affiliates to make these seed investments. In turn, this change could have two adverse effects for the financial market ecosystem: (i) removing an important source of seed capital for registered funds; and (ii) removing an important source of revenue diversification for investment advisers affiliated with banking organizations, like GSAM, as a result of the diminished ability to seed funds to develop new products and investment strategies.

First, the punitive capital treatment of such exposures would undermine the ability of investment advisers affiliated with banking organizations to contribute initial capital to investment funds, which, in turn, may reduce the ability of asset managers like GSAM to innovate and develop new products and strategies. This capital treatment may reduce the willingness of investment advisers affiliated with banking organizations or their affiliates to make such investments, adversely affecting competition, diversity and specialization in the asset management industry. This competition and diversity ultimately serve to benefit underlying institutional and retail investors in these funds, and, accordingly, its diminution would harm those investors.

Second, banking organizations benefit from more diverse and stable revenue through having a robust asset management business. As described in the above discussion of operational risk, asset management businesses provide an important way for banking organizations to diversify sources of revenue. Moreover, as a fee-based business, revenues for asset management often diverge from revenue trends elsewhere in a banking organization. To the extent that a banking organization faces higher costs to develop new investment products and strategies, its business may suffer relative to competitors that are not subject to the same costs. This result would be particularly troublesome where the risks of the business are relatively low, as is the case here.

In light of the foregoing, we recommend the Agencies maintain the favorable risk weight for non-significant investments in UFIs, or, in the alternative, preserve a preferential risk weight for seed activity which is critical for efficient capital allocation to sources of diversification and innovation in funds.

7. The proposed treatment of ETFs under the GSIB Surcharge Proposal may reduce the willingness of large banking organizations to act as market participants for ETFs.

Under the GSIB Surcharge Proposal, the definition of "financial institution" for purposes of the FR Y-15 interconnectedness indicators would be expanded to include private equity funds, asset management companies and ETFs. While we believe none of these entities should be included in the definition of "financial institution" for purposes of the FR Y-15 interconnectedness indicators, these changes could have a particularly adverse effect on the willingness of large banking organizations to play a role as intermediaries of ETFs. In turn, these changes could adversely affect liquidity and price discovery. In addition, these changes would deviate from standards promulgated by the Basel Committee on Banking Supervision, which provide that, for GSIB assessment purposes, banking organizations should not count ETFs toward intra-financial system asset holdings.[18] To help ensure global consistency of the standards regarding GSIB status and surcharges, the Federal Reserve should not change its instructions regarding the treatment of ETFs until the treatment is also changed by the Basel Committee. We therefore encourage the Agencies to continue to exclude ETFs from the FR Y-15 interconnectedness indicators.

8. The proposed treatment of OTC derivatives may reduce the willingness of large banking organizations to act as clearing agents and, therefore, may contradict other financial regulatory policies.

Under the GSIB Surcharge Proposal, the notional amount of OTC derivatives for which a banking organization guarantees client performance to a central counterparty as an agent would be required to be reported and would contribute toward a banking organization's GSIB Surcharge score under the FR Y-15 complexity indicator.[19] These changes may reduce the willingness of large banking organizations to act as agents in such transactions, reducing the provision of clearing services by large banking organizations and concentrating such services among remaining providers.[20] In turn, these developments may increase costs for end users of derivatives. Relatedly, such changes may be at odds with other financial regulatory policies, including: (i) the encouragement of central clearing, which enables increased transparency and standardization in OTC derivatives; and (ii) the use of hedging instruments including derivatives more generally, which facilitates prudent risk management.

We recommend that the Agencies continue to exclude client cleared derivatives positions from the FR Y-15 complexity indicator for purposes of GSIB Surcharge. Such practice would be

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[18] *See* BASEL COMM., INSTRUCTIONS FOR THE END-2022 G-SIB ASSESSMENT EXERCISE 13-14 (2023).

[19] 88 Fed. Reg. at 60392.

[20] *See* Commodity Futures Trading Comm'n, Comment Letter on the Proposed Rule Regarding the Standardized Approach for Calculating the Exposure Amount of Derivatives Contracts (Feb. 15, 2019), https://www.cftc.gov/sites/default/files/2019-02/SA-CCRCommentLetter021519.pdf ("Further contraction of clearing members could increase systemic risk, and the associated reduction in the provision of clearing services is inconsistent with the fundamental reforms in Dodd-Frank.").

consistent with the thematic goals of financial regulatory policymaking since the Global Financial Crisis of 2007-2008.

Conclusion

We appreciate your consideration of our comments and suggestions on the Proposals. We would be happy to provide any additional information or to discuss any of our comments and suggestions in more detail.

Sincerely,

Ashish Shah
Global Co-Head and Chief Investment Officer of Public Investing
Goldman Sachs Asset Management, L.P.

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