

September 11, 2017

MEMORANDUM TO: Ralph Frable
Valerie Best

CC: Pat Devoti
David Wall
Alexandra Barrage

FROM: Cristina Regojo

SUBJECT: Meeting on December 8, 2016 between FRB, OCC, and
FDIC staff (Banking Agencies) and Representatives from
Managed Funds Association (MFA)

Participants (by phone):

FRB: Felton Booker, Will Giles and Lucy Chang

OCC: Scott Burnett, Allison Hester-Haddad, Colby Mangels and Ron Shimabukuro

FDIC: Cristina Regojo, Alexandra Barrage and Phillip E. Sloan

MFA Members: Kevin Bell (D.E. Shaw Group), Anthony Deluca (Moore Capital Management, LP), Christopher Ramsay (Citadel LLC), Kim Rozman (HBK Capital Management), Stuart Kaswell (MFA), Carlotta King (MFA)

Summary:

On December 8, 2016 staff from the Banking Agencies met with representatives from the Managed Funds Association concerning the proposed rules of the Banking Agencies regarding restrictions on qualified financial contracts (Proposed Rules).¹ MFA representatives discussed their views on the Proposed Rules, in particular with respect to the impact of the rule on counterparty default rights under the U.S. Bankruptcy Code and the safe harbor for the ISDA 2015 Universal Resolution Stay Protocol. MFA's general comments largely mirrored comments made in its comment letters submitted to the Banking Agencies.²

¹ Proposed Rules of the Banking Agencies: OCC: Mandatory Contractual Stay Requirements for Qualified Financial Contracts, 81 Fed. Reg. 55381 (August 19, 2016); FRB: Restrictions on Qualified Financial Contracts of Systemically Important U.S. Banking Organizations and the U.S. Operations of Systemically Important Foreign Banking Organizations; Revisions to the Definition of Qualifying Master Netting Agreement and Related Definitions, 81 Fed. Reg. 29169 (May 11, 2016); and FDIC: Restrictions on Qualified Financial Contracts of Certain FDIC-Supervised Institutions; Revisions to the Definition of Qualifying Master Netting Agreement and Related Definitions, 81 Fed. Reg. 74326 (October 26, 2016).

² MFA submitted substantively identical comment letters to the OCC, the Board, and the FDIC.