From: Exante Regulatory Compliance Consultants Inc., David Sjursen

Proposal: 1547 (AE58) Regs Q & Y- Risk-based Capital and Other Regulatory Requirements for Activities of FHC's

Subject: Regulations Q and Y

Comments:

Date: Dec 19, 2016

Proposal: Regulations Q and Y: Risk-based Capital and Other Regulatory Requirements for Activities of Financial Holding Companies Related to Physical Commodities and Risk-based Capital Requirements for Merchant Banking Investments [R-1547]
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First name: David
Middle initial:
Last name: Sjursen
Affiliation (if any): EXANTE REGULATORY COMPLIANCE CONSULTANTS INC
Affiliation Type: Commercial (Com)
Address line 1: 118 Union Street
Address line 2: Suite 7C
City: New York
State: New York
Zip: 11231
Country: UNITED STATES
Postal (if outside the U.S.):
Your comment:
EXANTE REGULATORY COMPLIANCE CONSULTANTS INC
David L. Sjursen Chairman & Chief Executive Officer

Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW.,
Washington, DC 20551

Thomas J. Curry, Comptroller
Office of the Comptroller of the Currency
400 7th Street SW
Washington, DC 20219

December 19, 2016

Re: Regulations Q & Y: Risk-based Capital and Other Regulatory Requirements for Activities of Financial Holding Companies Related to Physical Commodities and Risk- ased Capital Requirements for Merchant Banking Investments [R-1547]

In light of the safeguards put in place by the various stipulations embodied in the Bank Holding Act we believe it is of paramount importance that the Federal Reserve System act in unison with the Financial Stability Oversight Council in not only strengthening the safeguards of Regulations Q and Y under the Bank Holding Act but adding the following stipulations which would prevent widespread market manipulation of the physical and futures marketplaces. For too long the physical commodities and futures markets have been controlled and manipulated by the special interests of the large financial institutions at the peril of the local United States farmers, Pension Funds, and individual investors. A clear example of this was evidenced by the London Interbank Officering Rate manipulation. Short term interest rates such as Fed Funds should be "unbiased" rates dictated not by special interests with speculative monetary gain to benefit their agenda, but rather by governmental bodies. Irregardless of their "Corporate Charters" under Title III of Dodd Frank upon the transfer of authority from the "Office of Thrift Supervision" to a trilateral regulatory body composed of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Bank all financial institutions under their various jurisdictions should be held to the highest of standards and accountabilities. When federal government laws such as the Bank Holding Act are weakened or disbanded it provides large financial institutions the ability to control the spot and forward pricing structures of a wide assortment of agricultural products, precious metals, and financial futures. This level of control of the supply and demand equation of important end user instruments embodied in the "Commodity Exchange Act" cannot be allowed to be selfregulated by market practitioners. Additionally, it allows the control of "Worldwide" supply and demand for agricultural commodities which can have far reaching effects on society at large. These acts in turn create large financial losses for Pension Fund Participants, local farmers, and individual investors. Just as it is required by federal and state regulatory bodies that registrants such as Investment Advisors and Broker Dealers have annual certified audits of Books and records by PCAOB registered CPAs the same standard should be applied to large financial institutions whose practices in the futures and commodities markets have more widespread detrimental effects on local farmers, bona fide hedgers, Pension Plan participants and the greater economy. In good conscience we don't believe even under the new Presidential administration that the Federal Reserve System should bend to the political whim of this new administration who does not fully comprehend nor respect the gravity of the Bank Holding Act. We greatly appreciate your attention to our views and welcome the opportunity to provide further clarification should the occasion arise.

Thank you.

Sincerely,
/S/
David L. Sjursen
Chairman & Chief Executive Officer
EXANTE REGULATORY COMPLIANCE CONSULTANTS INC