Meeting between Governor Stein and
the Institute of International Bankers
May 21, 2013

Participants: Governor Jeremy C. Stein, Mark Van Der Weide, and Jordan Bleicher (Federal Reserve Board)

Patrick Durkin and Merritt Thomas (Barclays); Derek Bush (Cleary Gottlieb); Joseph Seidel (Credit Suisse); Roger Blissett, Richard Coffman, Richard Ferguson, and Sarah Miller (Institute of International Bankers); Pererik Dyrvik (UBS Investment Bank)

Summary: Members and representatives of the Institute of International Bankers (the "Representatives") met with Governor Stein and Federal Reserve Board staff to discuss the Board's proposal to implement the enhanced prudential standards and early remediation requirements established under sections 165 and 166 of the Dodd-Frank Wall Street Reform and Consumer Protection Act for foreign banking organizations and foreign nonbank financial companies (the FBO proposal). The Representatives presented their views that the intermediate holding company, capital, and liquidity requirements contained in the proposal would be inconsistent with the principle of national treatment because U.S. bank holding companies would be regulated on the basis of their global operations while an intermediate holding company would be regulated on the basis of only the U.S. operations of the foreign banking organization. The Representatives stated that the FBO proposal fails to consider whether home country regulators apply comparable standards on a consolidated basis; that the application of a leverage ratio and other prudential standards to the intermediate holding company could have an adverse impact on the liquidity of U.S. markets; and that liquidity requirements applied to the FBO's U.S. operations should take greater account of an FBO's consolidated liquidity position.

The Institute of International Bankers also submitted a comment letter on April 30, 2013. The Federal Reserve makes all public comments available on its website.