

**Meeting between Federal Reserve Board Staff  
and Representatives of Mitsubishi UFJ Financial Group  
January 23, 2012**

**Participants:** Ann Misback, Christopher Paridon, Anna Harrington and Jeremy Newell  
(Federal Reserve Board)

Robert Hand and Takehiko Nagumo (Mitsubishi UFJ Financial Group);  
Stephen Milligan and Donald Toumey (Sullivan & Cromwell LLP)

**Summary:** Staff of the Federal Reserve Board met with representatives of Mitsubishi UFJ Financial Group (“MUFG”) to discuss the restrictions on proprietary trading and hedge fund and private equity fund activities under section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (also known as the “Volcker Rule”).

Among matters discussed in the meeting were MUFG’s views regarding: extraterritorial application of the Volcker Rule, specifically regarding concerns over its application to foreign-based joint ventures between a foreign banking entity and a U.S.-domiciled banking entity, since that joint venture could be placed at a competitive disadvantage compared to other foreign-based financial businesses that would not be subject to the proposed rule; the scope of the proposed rule’s application of the statutory exemptions for foreign activities of foreign banking entities; potential application of the Volcker Rule to proprietary trading in obligations of the Japanese Government; and difficulties surrounding regulatory supervision, as well as allocation of the compliance burden, for such a joint venture subsidiary.