

From: Chris Barnard
Subject: Reg Y

Comments:

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Proposal: Regulation Y - Definitions of Predominantly Engaged In Financial Activities and Significant Nonbank Financial Company and Bank Holding Company
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Dear Jennifer Johnson. Thank you for giving us the opportunity to comment on your Notice of proposed rulemaking: Definitions of "Predominantly Engaged in Financial Activities" and "Significant" Nonbank Financial Company and Bank Holding Company, Docket No. R-1405. Definition of Predominantly Engaged in Financial Activities: I support the thrust of the proposals, including the two-year look back basis and testing either annual gross financial revenues or total financial assets, as accounted for under US GAAP or IFRS. I also agree with the anti-evasion provisions to avoid structuring. However I do not support the bright line of 85% that you have set (the 85% test), which is far too high. I would have thought that a more common sense level of 60% would suffice to indicate that an entity was predominantly engaged in financial activities. Definition of Significant Nonbank Financial Company and Bank Holding Company: I agree that it is important to consider interconnectedness when designating an entity as significant. An entity that is "too interconnected to fail" clearly poses unacceptable systemic risk. Yours sincerely, Chris Barnard