



February 7, 2014

VIA ELECTRONIC SUBMISSION

Mr. Robert deV. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Request for Extension of Public Comment Period on the Advance Notice of Proposed Rulemaking, “Complementary Activities, Merchant Banking Activities, and Other Activities of Financial Holding Companies Related to Physical Commodities”

Docket No. R-1479; RIN 7100 AE-10

Dear Mr. Frierson:

The Securities Industry and Financial Markets Association (“SIFMA”), American Bankers Association, Financial Services Roundtable and Institute of International Bankers (collectively, the “Associations”) respectfully request that the Board of Governors of the Federal Reserve System (the “Board”) extend the deadline for public comment on the Board’s Advance Notice of Proposed Rulemaking on Complementary Activities, Merchant Banking Activities, and Other Activities of Financial Holding Companies Related to Physical Commodities (the “ANPR”)¹. The comment period on the ANPR is currently scheduled to close on March 17, 2014.

The nearly two dozen questions posed by the Board in the ANPR with respect to physical commodity and merchant banking activities conducted by financial holding companies (“FHCs”) are comprehensive and complex, and our member institutions will devote significant time to developing thoughtful and detailed responses that will comprise a carefully-considered and thorough comment letter. An extended comment period would

¹ See Board, Complementary Activities, Merchant Banking Activities, and Other Activities of Financial Holding Companies Related to Physical Commodities, 79 Fed. Reg. 3329 (Jan. 21, 2014).

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allow for the necessary in-depth deliberation of the questions posed in the ANPR, which will ultimately be constructive to the Board's process of review and assessment of the information solicited in the ANPR and its consideration of any potential future actions.

Furthermore, although the title of the ANPR suggests that its focus is solely on activities of FHCs related to physical commodities, embedded within the ANPR are significant and serious questions related to all types of merchant banking activities. As of January 31, 2014, there are nearly 500 FHCs that may engage in merchant banking activities, many of which are community and midsize banks that conduct merchant banking activities to better meet and service customer needs. Additional time is also needed in order to analyze the issues the ANPR raises for institutions that were initially unaware that the ANPR may affect them, given the title and focus surrounding the ANPR.

We also note that, in connection with the preparation of the comment letter on the ANPR, SIFMA has engaged several leading law firms to jointly prepare a memorandum of law discussing the issues of corporate separateness and limited liability and the doctrine of piercing the corporate veil in the context of physical commodity and merchant banking activities conducted by FHCs (the "**Memorandum of Law**"). The Associations intend to include the Memorandum of Law as an appendix to the comment letter on the ANPR. The preparation of the Memorandum of Law will entail not only the necessary research and drafting work but also a review and comment process among its author law firms, which will require additional time before the Memorandum of Law can be agreed upon and finalized. Moreover, while the Associations have already commenced work on the comment letter itself, it is anticipated that the comment letter will need to be further refined upon completion of the Memorandum of Law in order to reflect the final agreed views of its author law firms.

Accordingly, in order to allow sufficient time for the careful consideration of the questions posed by the Board in the ANPR to ensure that the views of all institutions potentially affected are expressed, as well as for the preparation of the Memorandum of Law by its multiple-author law firms, review of the Memorandum of Law by our member institutions, and preparation of the comment letter reflecting the views stated in the Memorandum of Law, the Associations respectfully request a 60-day extension of the deadline to submit comments on the ANPR to May 19, 2014.

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The Associations greatly appreciate the Board's consideration of the foregoing extension request. If you should have any questions, please contact the Associations.

Respectfully submitted,



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President and CEO
Securities Industry and Financial Markets
Association



Beth Knickerbocker
Vice President and Senior Counsel
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