

**FEDERAL RESERVE SYSTEM**

**12 CFR Parts 217 and 225**

**Regulations Q and Y**

**Docket No. R-1547; RIN 7100 AE-58**

**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**

**AGENCY:** Board of Governors of the Federal Reserve System (Board).

**ACTION:** Notice of proposed rulemaking; extension of comment period.

**SUMMARY:** On September 30, 2016, the Board published in the *Federal Register* a notice of proposed rulemaking (NPR) to adopt additional limitations on physical commodity trading activities conducted by financial holding companies under complementary authority granted pursuant to section 4(k) of the Bank Holding Company Act and clarify certain existing limitations on those activities; amend the Board's risk-based capital requirements to better reflect the risks associated with a financial holding company's physical commodity activities; rescind the findings underlying the Board orders authorizing certain financial holding companies to engage in energy management services and energy tolling; remove copper from the list of metals that bank holding companies are permitted to own and store as an activity closely related to banking; and increase transparency regarding physical commodity activities of financial holding companies through more comprehensive regulatory reporting.

Due to the range and complexity of the issues addressed in the NPR, the public comment period has been extended until February 20, 2017. This action will allow interested persons additional time to analyze the proposal and prepare their comments.

**DATES:** The comment period for the notice of proposed rulemaking published on September 23, 2016, (81 FR 67220) regarding 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 is extended from December 22, 2016 to February 20, 2017.

**ADDRESSES:** You may submit comments by any of the methods identified in the NPR.<sup>1</sup> Please submit your comments using only one method.

**FOR FURTHER INFORMATION CONTACT:** Constance M. Horsley, Assistant Director, (202) 452-5239, Elizabeth MacDonald, Manager, (202) 475-6316, Kevin Tran, Supervisory Financial Analyst, (202) 452-2309, or Vanessa Davis, Supervisory Financial Analyst, (202) 475-6674, Division of Banking Supervision and Regulation; or Laurie Schaffer, Associate General Counsel, (202) 452-2277, Michael Waldron, Special Counsel, (202) 452-2798, Will Giles, Senior Counsel, (202) 452-3351, or Mary Watkins, Attorney, (202) 452-3722, Legal Division, Board of Governors of the Federal Reserve System, 20<sup>th</sup> and C Streets, NW., Washington DC 20551. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), (202) 263-4869.

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<sup>1</sup> See 81 FR 67220 (September 30, 2016).

**SUPPLEMENTARY INFORMATION:**

On September 30, 2016, the Board published in the *Federal Register* the NPR. The Board originally set the end of comment period as December 22, 2016, which is 90 days after the date the proposal was published on the Board's website and 83 days after the date the proposal was published in the *Federal Register*.

The Board has received comment letters requesting that the Board extend the comment period for the NPR.<sup>2</sup> In support of this request, commenters assert that the December 22, 2016 deadline does not provide sufficient time to thoroughly analyze the full impact of this complex and wide-ranging proposal. The commenters note that a variety of types of participants in physical commodities markets, such as mining companies, other upstream producers and municipally-owned natural gas districts, may be impacted by the multiple proposals contained in the Commodities NPR and that additional time is needed to understand those impacts and develop meaningful, constructive comments.

Due to the range and complexity of the issues addressed in the NPR, the public comment period has been extended until February 20, 2017. This action will allow interested persons additional time to analyze the proposal and prepare their comments.

**By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, December 20, 2016.**

*Robert deV. Frierson (signed)*

Robert deV. Frierson,  
Secretary of the Board.

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<sup>2</sup> The Board has received requests from Barrick Gold of North America, the National Mining Association, and Clarke Mobile Counties Gas District and its affiliate, the Black Belt Energy Gas District, to extend the end of the comment period.