

**Meeting between Federal Reserve Board staff and  
Representatives of DE Shaw & Co (“DE Shaw”)  
November 15, 2011**

**Margin and Capital Requirements for Covered Swap Entities [R-1415]**

**Participants:** Michael Gibson, Sean Campbell and Anna Harrington (Federal Reserve Board)

Darcy Bradbury (DE Shaw & Co); Carlotta D. King (Managed Funds Association); and Scott Parsons and Graham Harper (Delta Strategy Group)

**Summary:** DE Shaw representatives met with Board staff to discuss issues related to the proposed rule of the Board and other prudential regulators on margin and capital requirements for covered swap entities under Title VII of the Dodd-Frank Act. The DE Shaw representatives expanded on the points raised in Managed Fund Association’s comment letter dated July 11, 2011.

DE Shaw representatives recommended that the capital and margin requirements for uncleared swaps be coordinated with the availability of central clearing and noted their support for consistent margin requirements among the regulators. DE Shaw representatives also stated that legally enforceable netting should be explicitly permitted for initial and variation margin; bilateral exchange of variation margin reduces systemic risk and should be required; and the manner in which initial and variation margin is calculated must be transparent to market participants.