

**Meeting between Federal Reserve Board staff and
KfW Representatives
Margin and Capital Requirements for Covered Swap Entities [R-1415]
December 5, 2012**

Participants: Jordan Bleicher, Sean Campbell, Anna Harrington, and Stephanie Martin
(Federal Reserve Board)

Svenja Brinkmann, Frank Czichowski, and Jochen Leubner; (KfW);
David Gilbert, Jody Singer, and Donald Toumey (Sullivan & Cromwell)

Summary: KfW 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.

KfW representatives discussed the possibility of an exemption from the margin requirements for KfW, a non-profit, public sector entity responsible to and owned by the federal and state authorities in Germany, mandated to serve a public purpose, and backed by an explicit, full, statutory guarantee provided by the German federal government. KfW representatives indicated that its swaps activities are limited to hedging activities. KfW noted that it had received an exemption from the CFTC's clearing rule and from the European Market Infrastructure Regulation and that the Working Group on Margin Requirements also had recommended exempting sovereign and sovereign-linked entities.