

**Meeting Between Staff from the Federal Reserve Board and the Office of the Comptroller of the Currency, and Representatives of Citigroup Inc., Goldman Sachs, JPMorgan Chase, Morgan Stanley, HSBC and Cleary Gottlieb Steen & Hamilton LLP  
October 9, 2015**

**Participants:** Scott Alvarez, Stephanie Martin, Anna Harrington and Victoria Szybillo (Federal Reserve Board)

James Basham (Office of the Comptroller of the Currency)

Curtis Tao (Citigroup Inc.), Michael Huber (Goldman Sachs), Albert Moffitt (JPMorgan Chase), Kirsten Doody (Morgan Stanley), Thomas Rosenkoetter (HSBC)

Edward Rosen and Colin Lloyd (Cleary Gottlieb Steen & Hamilton LLP)

**Summary:** Staff from the Federal Reserve Board and the Office of the Comptroller of the Currency held a meeting with representatives of Citigroup Inc., Goldman Sachs, JPMorgan Chase, Morgan Stanley, HSBC and Cleary Gottlieb Steen & Hamilton LLP to discuss issues related to the proposed rule issued on margin requirements for covered swap entities under Title VII of the Dodd-Frank Act. Matters discussed during the meeting included possible issues arising from the exchange of margin between a covered swap entity and its affiliates. Specifically, the Representatives discussed (1) one-way and two-way margin regimes between a covered swap entity and its affiliates, (2) sections 23A and 23B of the Federal Reserve Act as they relate to margin on inter-affiliate swaps, (3) the possibility that the amount of margin that a covered swap entity must collect on swaps with its affiliated counterparty be supplied by the parent holding company, (4) covered swap entities calculating initial margin according to a 5-day liquidity horizon rather than a 10-day liquidity horizon, and (5) rule implementation concerns.