

**Meeting Between Staff of the Federal Reserve Board and HSBC
May 4, 2016**

Participants: Felton Booker, Mark Savingnac, Jay Schwarz, Will Giles, Greg Frischmann, and Josh Strazanac (Federal Reserve Board)

Gerard Mattia, Manuel Vicente, James Chew, Kevin Witts, John S. Cassidy, and Thomas J. Rosenkoetter (HSBC Holdings plc)

Summary: Staff of the Federal Reserve Board met with representatives of HSBC Holdings plc to discuss the Board's outstanding proposal on long-term debt (LTD) and total loss absorbing capacity (TLAC) requirements for the U.S. intermediate holding companies of foreign global systemically important banks (IHCs). The representatives expressed concern that the LTD requirements applicable to IHCs may cause LTD instruments issued by such IHCs to be treated as equity rather than debt for tax purposes. The representatives also encouraged the Board to (i) consider firm-specific characteristics in calibrating the LTD/TLAC requirement for IHCs of foreign G-SIBs, and (ii) permit IHCs of foreign G-SIBs to meet the LTD/TLAC requirement with external debt issuances.