

**Meeting Between Staff of the Federal Reserve Board and Representatives of
Morgan Stanley and Mitsubishi UFJ Financial Group (MUFJ)
May 19, 2016**

Participants: Scott Alvarez, Pam Nardolilli, and Jordan Bleicher (Federal Reserve Board)

Andrew Baer, Andrew Nash (Morgan Stanley); Jonathan Kindred (Morgan Stanley MUFJ Securities Co., Ltd.); Robert Hand, Koji Nishimoto, Kyuko Yoo (MUFJ); Donald Toumey, Keiji Hatano (Sullivan & Cromwell LLP) (together “MS/MUFG”)

Summary: Staff of the Federal Reserve Board met with MS/MUFG to discuss the proposed rule for single counterparty credit limits under section 165(e) of the Dodd-Frank Wall Street Reform & Consumer Protection Act, Regulation YY, 12 CFR Part 252 (Docket No. R-1534, RIN 7100-AE 48).

MS/MUFG discussed with Board staff the application of the Board’s single-counterparty credit limit to joint venture entities. MS/MUFG stated that the Board’s proposal could have certain unintended consequences in the context of joint ventures, and suggested certain policy options that could help avoid these unintended consequences. Board staff invited MS/MUFG to send in written comments on the rule.

As follow-up to the May 19 meeting, Andrew Nash and Jordan Bleicher spoke again on May 25, 2016, about the application of the proposed single-counterparty credit limits to joint venture entities, as well as about potential modifications to the proposal.

