

**Meeting between Federal Reserve Staff
and Representatives of The Royal Bank of Scotland
May 1, 2012**

Participants: Scott Alvarez, Anna Harrington, Dominic Labitzky, Jeremy Newell, and Patricia Yeh (Federal Reserve Board); and Rhonda Kelley (Federal Reserve Bank of Boston)

Michael Kadish, Suneel Kamlani, David O’Loan, and Paul Stevelman (The Royal Bank of Scotland)

Summary: Staff of the Federal Reserve met with representatives of The Royal Bank of Scotland (“RBS”) to discuss the proposed rule for single counterparty credit limits under section 165(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).

Among the issues raised by the RBS representatives were the proposed rule’s treatment of non-U.S. sovereign entities; the treatment of a company owned by a sovereign entity on a temporary basis; the potential impact of the concentration limits on liquidity for non-U.S. sovereign debt and the broader consequences of the proposed rule on the financial system; and how the proposed rule fits within other enhanced prudential standards and requirements under the Dodd-Frank Act.