

**Meeting Between Governor Quarles, Staff of the Federal Reserve Board and
Representatives of the
Securities Industry and Financial Markets Association
October 3, 2018**

Participants: Vice Chairman for Supervision Randal K. Quarles, Flora Ahn, Page Conkling
Greg Frischmann, and David McArthur (Federal Reserve Board)

Carter McDowell, Robert Toomey, and Kenneth Bentsen Jr. (SIFMA); Jahad
Atieh (JP Morgan); Eric Kriftcher (Bank of America); Daniel Nelson (Wells
Fargo); Howard Rose (Citigroup); David Rusoff (Goldman Sachs); Thomas
Shallman (Morgan Stanley); Randall Guynn and Gabriel Rosenberg (Davis Polk)

Summary: Representatives of the Securities Industry and Financial Markets Association and its members (“SIFMA”) met with Vice Chairman for Supervision Randal K. Quarles and Federal Reserve Board staff to discuss the proposal to amend the regulation implementing section 13 of the Bank Holding Company Act of 1956 (commonly referred to as the “Volcker Rule”). The SIFMA representatives expressed concern about the proposed amendments to the Volcker Rule’s definition of “trading account,” specifically the addition of a new accounting-based prong to replace the existing purpose-based prong. The SIFMA representatives proposed alternatives to the accounting-based prong, including retaining the purpose-based prong of the current regulation with certain modifications, or adopting a modified version of the market-risk prong that would apply to banking entities not subject to the market risk capital rule.