

**Meeting Between Federal Reserve Board Staff  
and Representatives of Citigroup  
August 18, 2010**

**Participants:** Pat Parkinson, Pat White and Molly Mahar (Federal Reserve Board)

Thomas Glaessner, Sandeep Arora, Suni Harford and Jeff Feig (Citigroup)

**Summary:** Staff of the Federal Reserve Board met with representatives of Citigroup to discuss derivatives trading under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). The discussion focused on concerns that the provisions in Title VII and Title VI (section 619) of the Act may have a significant impact on the competitiveness of US firms. In particular, Citigroup officials raised concerns about the potential impact on their clients’ ability to net existing trades conducted with its bank against new trades which are subject to “push-out” to affiliates under Title VII. Citigroup requested that the competitive impact of these provisions be studied, in detail, prior to rulemaking. Following this discussion, Citigroup and Federal Reserve Board staff discussed section 619 of the Act. Citigroup officials expressed concerns about the practical implications of narrow definitions for differentiating between proprietary trading and market making, given the different liquidity characteristics of various asset classes. Citigroup representatives also expressed concerns about a narrow interpretation of the definition of hedging and the importance of retaining their ability to hedge across markets.