JPMORGAN CHASE & CO.

John Horner
Treasurer and Chief Investment Officer

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Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E–218
Washington, DC 20219
Docket ID OCC–2019–0001

Robert E. Feldman, Executive Secretary,
Attention: Comments/RIN 3064–AE81,
Federal Deposit Insurance Corporation,
550 17th Street NW, Washington, DC 20429
RIN 3064–AE81

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551
Docket No. R–1659; RIN 7100–AF 46

Re: Regulatory Capital Rule: Revisions to the Supplementary Leverage Ratio to Exclude Certain Central Bank Deposits of Banking Organizations Predominantly Engaged in Custody, Safekeeping and Asset Servicing Activities

Ladies and Gentlemen:

JPMorgan Chase & Co. (JPMC) appreciates the opportunity to comment on the Joint Notice of Proposed Rulemaking (402 NPR) issued by the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), and the Federal Deposit Insurance Corporation (FDIC) (collectively, the Agencies) regarding revisions to the Supplementary Leverage Ratio (SLR) to implement Section 402[1] of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA).

The Agencies have determined which banking organizations they believe would – and consequently should – be within the 402 NPR's scope of applicability. To this end, JPMC accepts as fact that the Agencies believe limiting the scope of applicability only to certain providers of custody, safekeeping, and asset servicing activities is aligned with Congressional intent of Section 402 of EGRRCPA.

As such, JPMC will not be requesting an expansion of the scope of applicability of the 402 NPR, and instead encourages the Agencies to consider the interaction of the 402 NPR with the FRB and OCC's April 2018 Joint Notice of Proposed Rulemaking to tailor a Global Systemically Important

[1] Economic Growth, Regulatory Relief, and Consumer Protection Act, § 402

Bank's (G-SIB) enhanced SLR (eSLR) requirement to the individual characteristics of that G-SIB (eSLR NPR)[2].

Specifically, for firms outside the scope of applicability of the 402 NPR that will recognize no change to their definition of total leverage exposure, we strongly encourage the Agencies to to move forward with and finalize their proposed revisions of the eSLR, consistent with the international standards agreed to by the Basel Committee on Banking Supervision in December 2017[3].

For G-SIBs within the scope of applicability of the 402 NPR, recalibration of the eSLR must be revisited, as the 402 NPR undoubtedly constitutes a "material change" to the definition of total leverage exposure for these firms. Accounting for this material change within the recalibration of the eSLR will help ensure that the FRB and OCC's initial intent of the eSLR NPR – in combination with the 402 NPR – does not "materially change the aggregate amount of capital in the banking system[4]"

We thank the Agencies for their consideration of the views expressed in this letter. Please contact me at 212.834.3600 with any questions, or to discuss the contents of this letter at your convenience.

Respectfully yours,

John Horner

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[2] eSLR NPR

[3] Basel Committee on Banking Supervision: Finalizing Post Crisis Reforms

[4] In their eSLR NPR, the FRB and OCC state that "the proposed recalibration [of eSLR]…assumes that the components of the supplementary leverage ratio use the capital rule's current definitions of tier 1 capital and total leverage exposure. Significant changes to either of these components would likely necessitate reconsideration of the proposed recalibration as the proposal is not intended to materially change the aggregate amount of capital in the banking system."