

Minutes of the regular meeting of the Buyside General Counsel Committee

12:00 p.m. – 2:00 p.m., Wednesday, September 9, 2015
Federal Reserve Bank of New York
33 Liberty St., New York, NY

Present:

Thomas C. Baxter, Jr., FRBNY (Chair)
David Brooks, Fortress Investment Group LLC
Marcy Engel, Eton Park Capital Management
Joyce Hansen, FRBNY
Elizabeth Keeley, Taconic Capital Advisors LP
Owen S. Littman, Cowen Group, Inc.
Simon Lorne, Millennium Management, LLC
Michael Nelson, FRBNY
Angela Sun, FRBNY

Mr. Baxter called the meeting to order at approximately 12:00 p.m.

1. Market Volatility

Members discussed factors that could be contributing to or exacerbating market volatility. Factors that were discussed included systematic trading strategies and the ETF market.

2. Puerto Rico

Members discussed Puerto Rico's debt crisis. Some members noted Chicago's fiscal difficulties as well. Members discussed the range of potential congressional responses to the situations in Puerto Rico and in Chicago.

3. Greece

Members briefly discussed the abated debt crisis in the Eurozone.

4. ISDA Termination Rights in Bankruptcy

Members discussed the Managed Funds Association (MFA)'s September 2015 white paper, which contains the MFA's views on the ISDA 2014 Resolution Stay Protocol. Members also discussed their views on the scope of the Protocol.

5. Impact of Capital Charges on Banking Activity

Members discussed their concerns about the fact that some banks are closing deposit accounts they had offered to certain businesses, apparently to comply with the leverage ratio rules. Members discussed concerns about the broader implications that the leverage ratio rules could have, including on the cleared derivatives markets.

6. Additional Topics

Members discussed China's large holdings of U.S. debt in relation to China's currency devaluation, as well as recent political commentary on the issue.

The meeting adjourned at approximately 2:00 p.m.