



Invested in America

SIFMA PUBLIC POLICY AND ADVOCACY OVERVIEW

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Asia Securities Forum Public Seminar 2011

Panel Discussion 3: “The Trend in Global Securities Regulation and its Influence in Each Jurisdiction”

Unprecedented Times

- The industry and regulators are faced with an unprecedented amount of rulemaking over the next 2-5 years
- The stakes are high; must get these regulations right
- Poorly crafted regulations could create unintended consequences that harm economic growth and stifle job creation
- Could result in capital markets “winners and losers”
- Need for international coordination
- SIFMA will continue to work with regulators to provide economic analysis, research and substantive feedback throughout this process

Key Dodd Frank Implementation Issues

- Systemic Risk
- IA/BD Fiduciary Standard
- Resolution Authority
- OTC Derivatives
- Securitization
- Volcker – Proprietary Trade, Private Equity and Hedge Funds

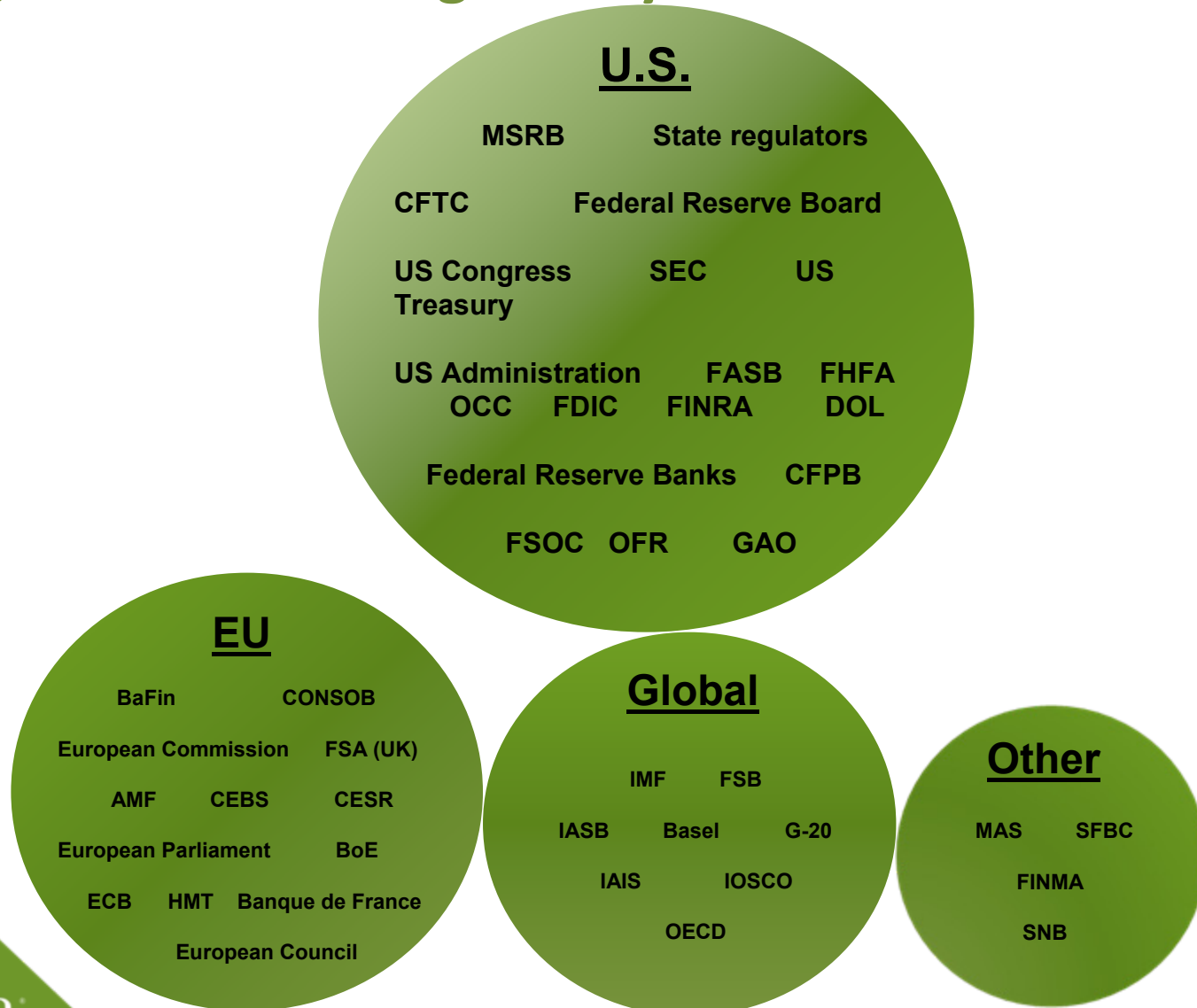
Other Key Federal Priorities

- DOL Proposed Rule on ERISA Fiduciary
- Regulation of brokers and advisors
- 12b-1
- Taxes
 - Cap gains/dividends; tax reform
 - Transaction tax
- Municipal issues
- Market Structure
- GSE/Housing Finance Reform
- Accounting standards – convergence of FASB and IFRS
- Rule 2a-7 Money Market Fund Reform
- Executive Compensation

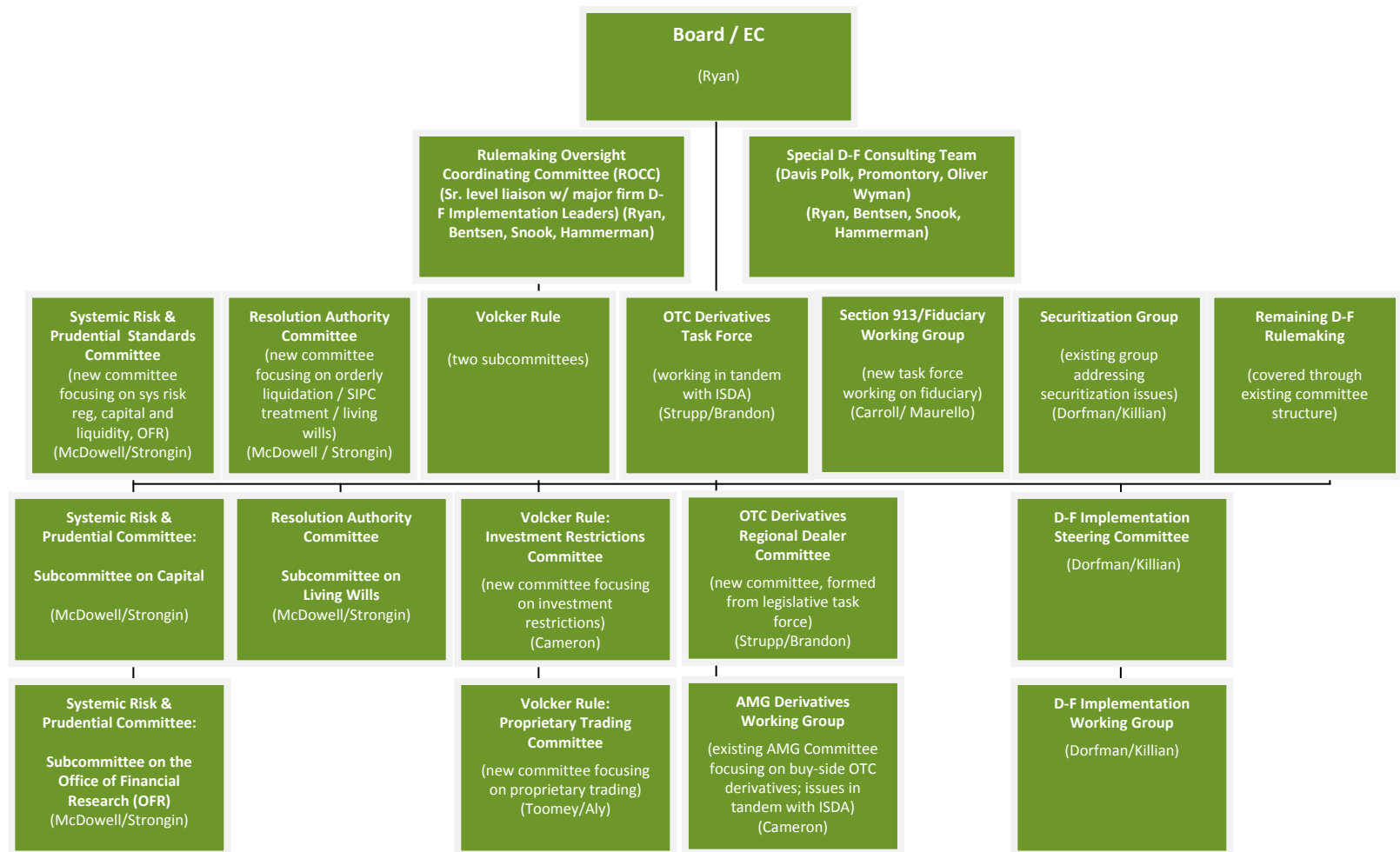
Other Regulatory Issues

- International
 - Basel III/Capital/Liquidity Standards
 - Outreach to Financial Stability Board/G20/IOSCO
 - Legal Entity Identifiers
 - Market Access
- State
 - Budget deficits
 - Taxes and fees
 - Criminal and credit background check legislation
 - Placement agent legislation
 - Investment restrictions
 - Data breach legislation

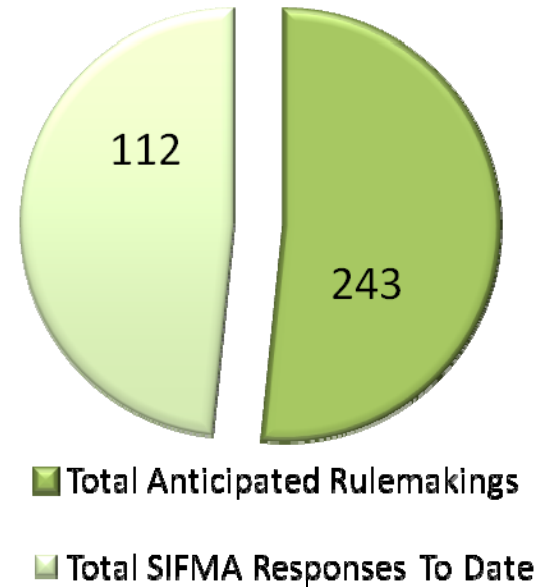
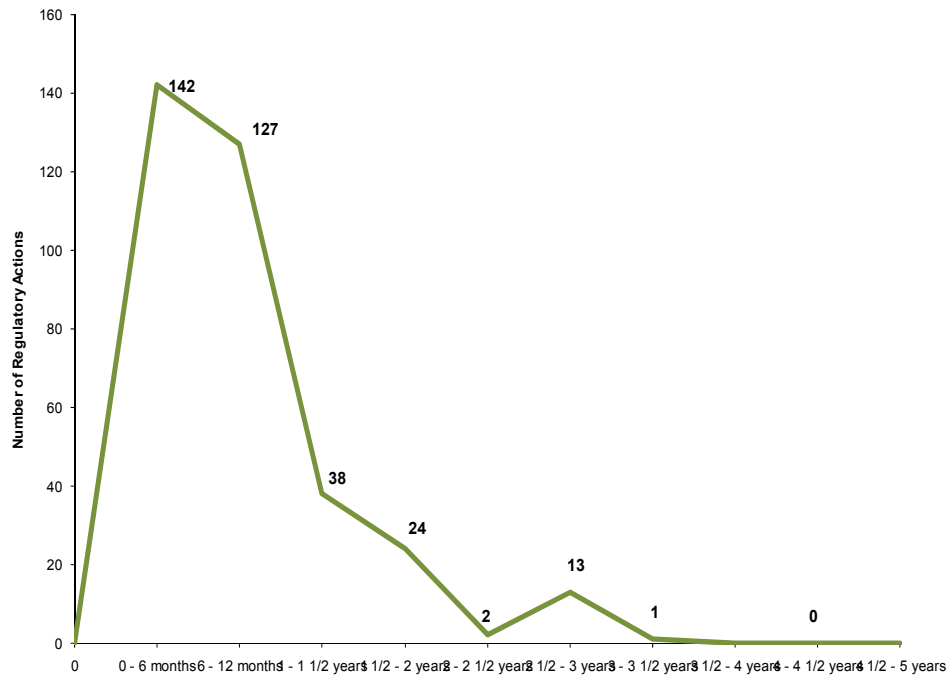
Large Number of Regulatory Bodies



Dodd-Frank Implementation Committee Structure



Extensive Rulemaking Agenda



243+ Rulemakings, 41 Reports, 71 Studies

Across 11 Departments, Agencies, Bureaus and the Government Accountability Office (GAO)

Commodity Futures Trading Commission (CFTC)

55 Final Rules Required by *Dodd-Frank*

State-of-Play

- 39 Proposed Rules
- 4 Interim/Final Rules
- 17 Future Deadlines



■ Rulemakings Completed/In Progress

Key Progress Items

- Position Limits for Derivatives (Proposed)
- Registration of Swap Dealers and Major Swap Participants (Proposed)
- Retail FOREX Transactions (Final Rule)

Still to Come

- Final Definitions incl. Swap Dealer, Major Swap Participant
- Final Rules on Position Limits for Derivatives
- Final Rules on Conflicts of Interest at DCOs, DCMs, SEFs

Securities and Exchange Commission (SEC)

95 Final Rules Required by *Dodd-Frank*

State-of-Play

- 43 Proposed Rules
- 12 Final Rules
- 5 Studies
- 35 Future Deadlines



■ Rulemakings Completed/In Progress

Key Progress Items

- Study on Obligations of Broker-Dealers
- Municipal Advisor Registration
- Proposed Rules on Risk Retention
- Issuer Review of Assets in Offerings of ABS (Final Rule)

Still to Come

- Rules Imposing Capital/Margin on Non-Bank SB Swap Dealers
- Proposed Rules (as may be appropriate) Based on § 913 Study

Federal Reserve Board (FRB)

50 Final Rules Required by *Dodd-Frank*

State-of-Play

- 11 Proposed Rules
- 4 Interim/Final Rules
- 2 Notices/Comment Requests
- 1 Advanced Notice



■ Rulemakings Completed/In Progress

Key Progress Items

- Conformance Period for Prohibited Activities Under the Volcker Rule (Final)
- Truth in Lending (Proposed)
- Risk-Based Capital Guidelines: Market Risk (Proposed)

Still to Come

- Final Rules on Volcker Rule Restrictions
- Final Rules on Capital Floors Required by Collins Amendment
- Joint Final Rules on ABS Risk Retention and Qualified Residential Mortgage Exemption

U.S. Treasury/Financial Stability Oversight Council (FSOC)

7 Final Rules Required by *Dodd-Frank*

State-of-Play

- 3 Proposed Rules
- 1 Comment Request
- 2 Advanced Notices

Key Progress Items

- Financial Market Utilities (Final)
- Authority to Require Supervision/Regulation of Non-Bank Firms (Proposed)
- Concentration Limit on Large Financial Companies (Study/Comment Request)

Still to Come

- Final Designation Criteria for Systemic BHCs & Non-Bank Firms
- Studies/Reports on Contingent Capital, Prompt Corrective Action, Haircuts on the Claims of Secured Creditors



■ Rulemakings Completed/In Progress



gfma G-SIB List

- There are 35 potential G-SIBs based on our research

- Most of these firms are already a member of SIFMA, AFME, or ASIFMA

Deutsche Bank AG
Goldman Sachs
BNP Paribas
Morgan Stanley
JPMorgan Chase
Credit Suisse Group AG
Natixis
Nomura
Crédit Agricole CIB
Citigroup
UBS AG
Bank of America
Bank of New York
Barclays
Societe Generale
Royal Bank of Scotland
ING
Mitsubishi UFJ Financial
HSBC Holdings
Mizuho Financial
Commerzbank
Unicredit
Macquarie
Royal Bank of Canada
Santander
Wells Fargo
Itau - Unibanco
Lloyds
International and Commercial Bank of China
Dexia
Nordea
Bank of China
Toronto Dominion
Banque Populaire
Standard Chartered

SIFMA – Coordination

- Member Firms
 - Government Reps, Committee Liaisons, General Counsels
- Financial and Business Trades
 - ISDA, FIA, ABA, FSR, ICI, FSF, CoC, BRT, FSI, TCH, IIF, IIB
- AFME and ASIFMA