

Meeting with Goldman Sachs Bank USA  
April 15, 2011, 11:30 a.m. – 12:30 p.m.

CFTC Staff:

OIA  
Jacqueline Mesa  
Aaron Miller  
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Barbara Gold  
Bob Wasserman  
Chris Cummings  
Elizabeth Miller

Goldman Sachs Bank USA Representatives:

Thomas Riggs, Managing Director and General Counsel,  
Goldman Sachs Bank USA  
Kenneth M. Connolly, Vice President, Government Affairs,  
The Goldman Sachs Group, Inc.

Goldman Sachs Bank USA (“GSBU”) requested a meeting with CFTC staff to discuss the extraterritorial application of CFTC regulations pursuant to the Dodd-Frank Act. They stated that GSBU would undoubtedly have to register as a swap dealer, but wondered what the ramifications of that registration would be for an entity with both U.S. and foreign clients. They further stated that the difficulties GSBU, and potentially other banks, might have in redocumenting relationships and restructuring business are substantial. Additionally, they stated that clients might view the need for redocumentation as an opportunity to renegotiate other aspects of their terms unrelated to compliance with Dodd-Frank regulations.

GSBU also expressed concern about the implementation and timing of the Dodd-Frank regulations. In response, CFTC staff noted the upcoming roundtable on implementation, to be hosted on May 2-3, 2011 at the CFTC.

The remainder of the discussion involved the extent of the CFTC’s cooperation and coordination with other international regulators in developing the proposed regulations. Mr. Connolly inquired whether regulatory arbitrage could become a significant issue, based on the difference in timing between the U.S. and the European Union in implementing new rules. Generally, he explained that GSBU’s concern about extraterritoriality is twofold: (1) that U.S. banks subject to more stringent regulations might have trouble competing with lesser-regulated foreign banks for business overseas; and (2) that U.S. banks conducting business internationally might be simultaneously subject to different and conflicting regulatory regimes.