

MEMO# 28720

February 5, 2015

FSOC Extends Deadline for Comments on Asset Management Products and Activities, Adopts SIFI Designation Process Changes

[28720]

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TO:

ACCOUNTING/TREASURERS MEMBERS No. 3-15
BOARD OF GOVERNORS No. 1-15
CHIEF RISK OFFICER COMMITTEE No. 4-15
CLOSED-END INVESTMENT COMPANY MEMBERS No. 2-15
ETF (EXCHANGE-TRADED FUNDS) COMMITTEE No. 1-15
ETF ADVISORY COMMITTEE No. 1-15
INVESTMENT COMPANY DIRECTORS No. 4-15
OPERATIONS MEMBERS No. 6-15
SEC RULES MEMBERS No. 8-15
SMALL FUNDS MEMBERS No. 4-15
UNIT INVESTMENT TRUST MEMBERS No. 1-15
VARIABLE INSURANCE PRODUCTS ADVISORY COMMITTEE No. 1-15

RE:

FSOC EXTENDS DEADLINE FOR COMMENTS ON ASSET MANAGEMENT PRODUCTS AND ACTIVITIES, ADOPTS SIFI DESIGNATION PROCESS CHANGES

As we previously indicated, the Financial Stability Oversight Council (“FSOC” or “Council”) issued a notice on December 18, 2014 requesting comment on asset management products and activities. [\[1\]](#) Yesterday, in response to requests by ICI and other trades and firms, FSOC voted in a closed meeting to extend the comment deadline by 30 days to March 25, 2015.

According to FSOC’s “readout” from the meeting, FSOC also discussed its process for considering nonbank financial companies for potential SIFI designation and voted to adopt

the changes outlined in a staff presentation at an open meeting on January 21. The changes follow criticism by stakeholders, the media and members of Congress about the transparency, fairness and accountability of FSOC's processes and its SIFI designations to date. The changes fall into three categories: (1) engagement with companies under consideration by the Council; (2) transparency to the broader public regarding the designations process; and (3) engagement during the Council's annual reevaluations of designations.

The process changes were adopted through "supplemental guidance," which is effective immediately. [2] FSOC also posted an updated version of its Frequently Asked Questions concerning nonbank financial company designations that reflects the new guidance. [3]

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endnotes

[1] See ICI Memorandum No. [28602](#), dated December 19, 2014. The notice is available at <http://www.treasury.gov/initiatives/fsoc/rulemaking/Pages/open-notices.aspx>.

[2] The supplemental guidance is available at <http://www.treasury.gov/initiatives/fsoc/designations/Documents/Supplemental%20Procedures%20Related%20to%20Nonbank%20Financial%20Company%20Determinations%20-%20February%202015.pdf>.

[3] See <http://www.treasury.gov/initiatives/fsoc/designations/Pages/nonbank-faq.aspx>.