

MEMORANDUM

To: File No. S7-08-12

From: Richard Gabbert, Counsel to Commissioner Hester M. Peirce

Re: Meeting with Representatives of Mizuho

On March 22, 2019, Commissioner Hester Peirce and her legal advisor, Richard Gabbert, participated in a meeting with the following representatives of Mizuho:

- Tim Healey, Mizuho;
- Adam Hopkins, Mizuho;
- Paul Hughes, Mizuho;
- Eric Rizzo, Mizuho;
- William Robinson, Mizuho;
- Yoji Imafuku, Mizuho; and
- Gary Mandelblatt, NextGen Strategic Advisors.

Among other things, participants discussed the proposed capital requirements for security-based swap dealers. In particular, participants described the challenges that dually registered swap dealers and security-based swap dealers may face under Commission requirements that impose capital charges on swaps in addition to security-based swaps, including, for example, charges imposed on uncollected variation margin on swaps (for which the CFTC has provided an exception from the requirement to collect variation margin). Participants indicated that the burden could be disproportionate, particularly for dually registered firms that have a relatively low level of security-based swap exposure.