
Prudential's challenge to SIFI status heard

By Editor Test *Fri, Jul 26, 2013*

Prudential announced July 2, the deadline, that it would challenge its designation as a SIFI and seek a hearing. That same day, American International Group and GE Capital announced that they had accepted such a designation, the first non-banks to do so.

A confidential hearing was held this week before the Financial Stability Oversight Council on Prudential Financial's challenge of its designation as a systemically important financial institution.

A Treasury statement acknowledged the hearing but did not identify the challenger at the hearing, which, by rule, is confidential. Prudential, however, was the only one of three nonbanks to challenge the June 3 decision by the FSOC, the identity of the company was obvious. The FSOC now has 60 days to make a final determination regarding the company.

Last week, the FSOC said it has advanced MetLife to "Stage III" — the last stage before designation as a nonbank systemically significant financial institution. MetLife said later that day that it would challenge such a designation.

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