Regulatory Capital Rule: Finalized Revisions to the Regulatory Capital Rule

Summary

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) finalized revisions to clarify, correct, and update certain provisions of the regulatory capital rule adopted by the agencies in 2013.¹ The revisions apply only to banking organizations subject to the agencies’ advanced approaches risk-based capital framework.² The changes do not affect other banking organizations. The revisions clarify some aspects of the qualification requirements for advanced approaches systems. In addition, the revisions better align the advanced approaches subpart of the regulatory capital rule with the Basel framework and thereby enhance consistency with international capital standards.

Note for Community Banks

The revisions do not apply to community banks.

Highlights

The revisions

- clarify the qualification criteria and calculation requirements for risk-weighted assets to assist reviews of advanced approaches banking organizations seeking to exit parallel run.
- clarify that all advanced approaches banking organizations are subject to the supplementary leverage ratio and the disclosure requirements for that ratio.
- correct typographical and technical errors in the advanced approaches sections of the regulatory capital rule.

Further Information

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2 Advanced approaches banking organizations generally include those with $250 billion or more in total consolidated assets or $10 billion or more in on-balance-sheet foreign exposure; other banking organizations that opt in to the advanced approaches; and depository institution subsidiaries of banking organizations that trigger one of the aforementioned thresholds.

Related Link

- "Regulatory Capital Rules: Regulatory Capital, Final Revisions Applicable to Banking Organizations Subject to the Advanced Approaches Risk-Based Capital Rule" (PDF)