

RESCINDED

OCC Bulletin 2020-28 | March 27, 2020

Outdated

Standardized Approach for Counterparty Credit Risk: Notice to Allow Early Adoption

To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Summary

The Office of the Comptroller of the Currency (OCC), along with the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (collectively, the agencies), recognize the recent economic disruptions caused by the coronavirus (also known as COVID-19) and recent volatility in U.S. financial markets. In light of these developments, the agencies today issued a notice to allow banking organizations to implement the final rule titled "Standardized Approach for Calculating the Exposure Amount of Derivative Contracts" (SA-CCR rule)¹ for the first quarter of 2020, on a best efforts basis.

Note for Community Banks

Under the final SA-CCR rule, community banks have the option, but are not required, to adopt the SA-CCR methodology.

Highlights

The agencies are permitting banking organizations the flexibility to implement the SA-CCR rule, including the SA-CCR methodology and the other amendments described in the SA-CCR rule, one calendar quarter early and on a best efforts basis if any banking organizations choose to do so. A banking organization

- that elects to early adopt the SA-CCR methodology must adopt the methodology for all derivative contracts; a banking organization cannot implement the SA-CCR methodology for a subset of its derivative contracts.
- may adopt some of the technical amendments described in the rule regardless of whether the banking organization chooses to early adopt the SA-CCR methodology.

The SA-CCR rule effective date remains April 1, 2020, and the mandatory compliance date remains January 1, 2022.

Further Information

Please contact Margot Schwadron, Director for Capital Policy, or Guowei Zhang, Risk Expert for Capital Policy, at (202) 649-6370; or Carl Kaminski, Special Counsel; Kevin Korzeniewski, Counsel; or Daniel Perez, Senior Attorney,

Chief Counsel's Office, at (202) 649-5490.

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Related Link

- ["Standardized Approach for Calculating the Exposure Amount of Derivative Contracts"](#) (PDF)

¹ Refer to OCC Bulletin 2020-7, "[Standardized Approach for Counterparty Credit Risk: Final Rule](#)."

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