

Corporate & Financial Weekly Digest

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Banking Agencies Seek Comment on Additional Revisions to the Market Risk Capital Rules

In action related to the removal of credit ratings from the Office of the Comptroller of the Currency (OCC) investment securities regulation, discussed in this issue of *Corporate and Financial Weekly Digest*, all three federal bank regulatory agencies, the OCC, the Federal Reserve, and the Federal Deposit Insurance Corporation, announced on December 7 they are seeking comment on a notice of proposed rulemaking (NPR) that would amend an earlier NPR announced in December 2010.

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The earlier NPR was based largely on the revisions to the market risk framework published by the Basel Committee on Banking Supervision (Basel Committee) since 2005. However, it did not include aspects of the Basel Committee revisions that rely on credit ratings. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, all federal agencies must remove references to, and requirements of, reliance on credit ratings from their regulations and replace them with appropriate alternatives for evaluating creditworthiness. The agencies believe that the capital requirements resulting from the implementation of these alternative standards would be generally consistent with the standards in the Basel Committee's revisions.

The agencies expect to publish a final market risk capital rule after consideration of the comments on both NPRs. Comments on this NPR is requested by February 3, 2012.

For more information, click [here](#)

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