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Opening Statement on Final Rules to Tailor Enhanced Prudential Standards  
and Resolution Plan Requirements for Large Domestic and Foreign Banks  
by Chair Jerome H. Powell

Good afternoon. I'd like to welcome our guests here at the Federal Reserve and our online viewers.

Today, we will consider several rules, chief among them final rules that would more closely tailor our enhanced prudential standards to match the overall risk profiles of large domestic and foreign banks. We will also discuss a final rule to tailor our resolution plan requirements, and a proposal inviting public comment on changing the fees we charge large banks to cover the cost of supervision under these new standards.

In the rules before us, we are applying the discretion granted to us by the Economic Growth, Regulatory Relief, and Consumer Protection Act. In that act, Congress charged the Board with tailoring its regulations for firms with less than \$250 billion in assets based on factors related to the risks a firm poses.

Like the proposed rules we put out for public comment, the final tailoring rules would apply a framework to large banks that sorts them into different categories. And the framework would be generally the same for domestic and foreign banks. U.S. regulators have a long-standing policy of treating foreign banks the same as we treat domestic banks. That is the fair thing to do. It also helps U.S. banks, because banking is a global business, and a level playing field at home helps to level the playing field for U.S. banks when they compete abroad.

As staff will detail, the framework uses several measures to evaluate the risk of a bank. Size will remain a key factor in our evaluation of a firm's overall risk, but the rules add

additional measures of risk to our tailoring framework. These measures include cross-border activity and reliance on runnable funding. Incorporating these risk measures will better capture a firm's overall complexity and risk. This will make our regulation and supervision more risk-sensitive.

Our resolution plan rule will use that same framework to better match our resolution plan requirements to the risks of the firms. The largest firms will continue to file plans every two years, as we've been doing recently, while firms with less systemic risk will file plans less frequently.

I want to emphasize that all of our rules keep the toughest requirements on the largest and most complex firms, because they pose the greatest risks to the financial system and our economy. Firms that take on less risk will see their regulatory burdens appropriately set to match that risk. In this way, the rules maintain the fundamental strength and resiliency that has been built into our financial system over the past decade. Congress and the American people rightly expect us to achieve an effective and efficient regulatory regime that keeps our financial system strong and protects our economy, while imposing no more burden than is necessary.

I look forward to hearing the staff presentations and will now turn to my colleague Vice Chair Quarles.