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Opening Statement on Global Systemically Important Banking Organization Capital  
Surcharge Final Rule by Chair Janet L. Yellen

Good afternoon. I'd like to welcome our guests to the Federal Reserve today as we take another important step to enhance the resiliency and stability of our financial system.

The final rule before the Board today imposes a risk-based capital surcharge on the most systemically important U.S. bank holding companies. A key purpose of the capital surcharge is to require the firms themselves to bear the costs that their failure would impose on others. In practice, this final rule will confront these firms with a choice: they must either hold substantially more capital, reducing the likelihood that they will fail, or else they must shrink their systemic footprint, reducing the harm that their failure would do to our financial system. Either outcome would enhance financial stability. The final rule complements other aspects of the Board's enhanced prudential standards for the largest and most systemic U.S. banking firms.

I look forward to today's discussion of these important issues. Let me now turn to Governor Tarullo.