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PRESS RELEASE: IIB Statement on the Federal Reserve's Tailoring Rule

New York – The Institute of International Bankers (IIB) commends the Federal Reserve for its work on tailoring prudential standards for foreign banking organizations (FBOs). As we continue to study the rule in all its complexity, we are encouraged by the Federal Reserve's move to regulate intermediate holding companies (IHCs) based only on their own size and risk attributes instead of those of the combined U.S. operations. While the move on IHC size attributes is a positive one, we are disappointed that the Fed did not adjust the calculation of the risk-based indicators to more accurately reflect risk.

The IIB supports the Federal Reserve's decision to not include branch liquidity requirements in this rule and looks forward to playing a constructive role in a coordinated international effort on any future proposed rulemaking on the matter.