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2013 CCAR Process Begins and U.S. Basel III Rules Are Delayed

November 14, 2012 | Client Update

The Federal Reserve launched the 2013 capital planning and stress testing process for large bank holding companies with the publication of two sets of instructions: one set for the 19 bank holding companies that participated in the 2011 Comprehensive Capital Analysis and Review ("**CCAR**") process and another set for 11 other large bank holding companies that did not participate in the 2011 CCAR process. Among other changes from the 2012 process, the 2013 instructions reveal how the Dodd-Frank Act's stress testing requirements will be integrated with the Federal Reserve's capital planning requirements for the banking holding companies that participated in the 2011 CCAR process, and indicate that such bank holding companies will have a one-time opportunity to make a downward revision to any planned capital distributions before the Federal Reserve publishes its assessment of capital plans and will be required to publish their own summaries of certain company-run stress tests. Separately, the Federal Reserve joined other U.S. banking agencies to announce that recent proposals to implement Basel III in the United States will not become effective on January 1, 2013.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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