

Federal Reserve Maintains 0% Countercyclical Capital Buffer

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The Federal Reserve Board [announced](#) today that it will continue its policy of not deploying the countercyclical buffer (CCyB), a decision it reached after assessing the considerations in its [September 2016 CCyB policy statement](#) and consulting with the FDIC and OCC.

The CCyB is a macroprudential policy tool that the Federal Reserve can use to increase the resilience of the financial system by deploying the buffer during periods of elevated credit risks. The buffer, which applies only to advanced approaches banking organizations, supplements the minimum capital requirements and other capital buffers included in the agencies' Basel III capital rules. Since its introduction in 2015, the CCyB has never been deployed.

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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