

As prepared for delivery
For release at 2:40 p.m. EDT
May 30, 2018

Opening Statement on the Volcker Rule Proposal
by Chairman Jerome H. Powell

Good afternoon. I'd like to welcome our guests listening online and everyone who has joined us here at the Federal Reserve.

Enacted as part of the Dodd-Frank Act, the Volcker Rule says that proprietary trading is generally not an appropriate line of business for a federally insured commercial bank. The joint agency proposal before us today is faithful to both the text and the spirit of the law.

We have had almost five years of experience in applying the Volcker rule. The agencies responsible for implementing the rule see many opportunities to simplify and improve it in ways that will allow firms to conduct appropriate activities without undue burden, and without sacrificing safety and soundness.

The proposal will address some of the uncertainty and complexity that now make it difficult for firms to know how best to comply, and for supervisors to know that they are in compliance. Our goal is to replace overly complex and inefficient requirements with a more streamlined set of requirements.

This proposed rule will tailor the Volcker rule's requirements by focusing the most comprehensive compliance regime on the firms that do the most trading. Firms that do more modest amounts of trading will face fewer requirements.

Finally, this is a proposal. We strongly encourage comments from interested members of the public and will give those comments careful consideration.

I look forward to this discussion and will now turn to Vice Chairman Quarles.