
Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency**

For immediate release

November 19, 2019

Federal Bank Regulatory Agencies Finalize Rule to Update Calculation of Counterparty Credit Risk for Derivative Contracts

Three federal bank regulatory agencies on Tuesday jointly announced a final rule updating how certain banking organizations are required to measure counterparty credit risk for derivative contracts under their regulatory capital rules.

The final rule implements the "standardized approach for measuring counterparty credit risk," also known as SA-CCR. This updated methodology better reflects improvements made to the derivatives market since the 2007-2008 financial crisis such as central clearing and margin requirements. SA-CCR would replace the "current exposure methodology" for large, internationally active banking organizations, while other, smaller banking organizations could voluntarily adopt SA-CCR.

While generally consistent with the proposal released for comment in October 2018, the final rule has been revised in response to comments from the public. Those changes include revised capital requirements for derivatives contracts with commercial end-user counterparties.

The agencies estimate that the final rule will not materially change the current amount of capital in the banking system, though the effect on individual banking organizations will vary depending on their portfolios.

The Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency jointly issued the final rule. It will be effective on April 1, 2020, with a mandatory compliance date of January 1, 2022.

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Attachment:

[Regulatory Capital Rule: Standardized Approach for Calculating the Exposure Amount of Derivative Contracts](#)

[Fact Sheet: Standardized Approach for Calculating the Exposure Amount of Derivative Contracts](#)

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FDIC: PR-110-2019