

Volcker Rule: OCC requests public input on potential revisions

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On August 2 2017 the US Office of the Comptroller of the Currency (OCC) released a notice seeking public input regarding how to revise the Volcker Rule. The notice cites a report that the US Treasury Department released in June 2017, which included recommendations for significant changes to the Volcker Rule (among other recommendations to reform the US financial system). Although the OCC did not propose specific changes to the Volcker Rule in its notice, it stated that "[t]he information that the OCC is soliciting could support the revisions to the final rule advanced in the Treasury report and elsewhere". The notice states that the "OCC is not requesting comment on changes to the underlying Volcker statute". Instead, the OCC is requesting additional information and suggestions that it and the other agencies responsible for implementing the Volcker Rule can consider as they determine whether to propose formal changes to the rule.⁽¹⁾ Any formal rulemaking would require joint action by the OCC and those other agencies. None of the other agencies have issued corresponding requests for public comment at this time.

Overview

The OCC's notice states that there is broad recognition that the final rule should be improved both in design and application. It identifies some common industry concerns with the final rule, such as the difficulty of distinguishing between prohibited proprietary trading and permitted market making, and the inclusion within the scope of the rule of certain foreign funds that are not covered funds but are controlled by foreign banking entities. The notice also focuses on whether smaller banking entities should be subject to the Volcker Rule. The OCC is seeking qualitative and quantitative support for changes and clarifications that would improve the rule, including at least some of the changes proposed in the Treasury report.

The request for comment is divided into four categories:

- the scope of entities subject to the rule;
- the proprietary trading prohibition;
- the covered funds prohibition; and
- compliance programmes and metrics reporting.

The notice also states that the OCC welcomes comment on all aspects of the final rule and the final rule's administration.

The notice did not propose changes to the manner in which the Volcker Rule will be administered pending any future rulemaking or statutory changes.

The OCC's notice is available [here](#). Comments in response to the notice were due by September 21 2017.

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Endnotes

(1) These other agencies are the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Securities and Exchange Commission and the Commodity Futures Trading Commission.

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