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Press Release

April 04, 2013

Federal Reserve Board finalizes standards for Fed-regulated banks engaged in certain types of foreign exchange transactions with retail customers

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The Federal Reserve Board on Thursday announced the finalization of standards for banking organizations regulated by the Federal Reserve that engage in certain types of foreign exchange transactions with retail customers.

The rule, issued pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, establishes requirements for risk disclosures to customers, recordkeeping, business conduct, and documentation for retail foreign exchange transactions. Regulated institutions engaging in such transactions will be required to notify the Federal Reserve and to be well capitalized. They will also be required to collect margin for retail foreign exchange transactions.

The types of transactions covered by the rule include foreign exchange transactions that are futures or options on futures, over-the-counter options on foreign currency, and so-called rolling spot transactions. The rule covers entities regulated by the Federal Reserve including state-chartered banks that are members of the Federal Reserve System, bank and savings and loan holding companies, Edge Act and agreement corporations, and uninsured, state-licensed branches and agencies of foreign banks.

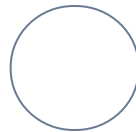
The Federal Reserve consulted with the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation in developing the rule. The agencies have engaged in separate rulemakings as specified by Dodd-Frank.

The rule will be effective on May 13, 2013.

For media inquiries, call 202-452-2955.

Federal Register notice: [HTML](#) | [PDF](#)

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