

# Overview of Section 165 requirements

Dodd-Frank Section 165 requires the Federal Reserve to apply enhanced prudential requirements to foreign banks

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- Final rule issued February 18, 2014
  - Targets foreign banks with largest US footprints, with most material impact on those with US assets > \$50 billion
  - Key driver of the final rule is a desire to establish a framework facilitating both a platform to apply Fed capital, liquidity and other standards to US subs not currently regulated by the Fed (e.g. broker-dealer subs) as well as a single point of entry for US resolution
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- **Mandated US Restructuring.**
  - **General scope.**
  - **Capital and Liquidity Standards.**
  - **Comprehensive capital assessment and review (CCAR).**
  - **Heightened Risk Management and Governance.**
  - **Resolution Planning.**
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- **Timelines:** 1 January 2015 – Implementation plan to Fed  
1 July 2016 – Establish IHC  
1 July 2017 – consolidate US subsidiary assets
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