

TABLE 12 TO § 217.173—INTEREST RATE RISK FOR NON-TRADING ACTIVITIES—Continued

Quantitative disclosures	(b) ....	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, categorized by currency (as appropriate).
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§§217.174–217.200 [Reserved]

**Subpart F—Risk-Weighted Assets—Market Risk**

**§ 217.201 Purpose, applicability, and reservation of authority.**

(a) *Purpose.* This subpart F establishes risk-based capital requirements for Board-regulated institutions with significant exposure to market risk, provides methods for these Board-regulated institutions to calculate their standardized measure for market risk and, if applicable, advanced measure for market risk, and establishes public disclosure requirements.

(b) *Applicability.* (1) This subpart applies to any Board-regulated institution with aggregate trading assets and trading liabilities (as reported in the Board-regulated institution's most recent quarterly Call Report, for a state member bank, or FR Y-9C, for a bank holding company or savings and loan holding company, as applicable, any savings and loan holding company that does not file the FR Y-9C should follow the instructions to the FR Y-9C) equal to:

- (i) 10 percent or more of quarter-end total assets as reported on the most recent quarterly [Call Report or FR Y-9C]; or
- (ii) \$1 billion or more.

(2) The Board may apply this subpart to any Board-regulated institution if the Board deems it necessary or appropriate because of the level of market risk of the Board-regulated institution or to ensure safe and sound banking practices.

(3) The Board may exclude a Board-regulated institution that meets the criteria of paragraph (b)(1) of this section from application of this subpart if the Board determines that the exclusion is appropriate based on the level of market risk of the Board-regulated institution and is consistent with safe and sound banking practices.

(c) *Reservation of authority* (1) The Board may require a Board-regulated institution to hold an amount of capital greater than otherwise required under this subpart if the Board determines that the Board-regulated institution's capital requirement for market risk as calculated under this subpart is not commensurate with the market risk of the Board-regulated institution's covered positions. In making determinations under paragraphs (c)(1) through (c)(3) of this section, the Board will apply notice and response procedures generally in the same manner as the notice and response procedures set forth in 12 CFR 263.202.

(2) If the Board determines that the risk-based capital requirement calculated under this subpart by the Board-regulated institution for one or more covered positions or portfolios of covered positions is not commensurate with the risks associated with those positions or portfolios, the Board may require the Board-regulated institution to assign a different risk-based capital requirement to the positions or portfolios that more accurately reflects the risk of the positions or portfolios.

(3) The Board may also require a Board-regulated institution to calculate risk-based capital requirements for specific positions or portfolios under this subpart, or under subpart D or subpart E of this part, as appropriate, to more accurately reflect the risks of the positions.

(4) Nothing in this subpart limits the authority of the Board under any other provision of law or regulation to take supervisory or enforcement action, including action to address unsafe or unsound practices or conditions, deficient capital levels, or violations of law.

[Reg. Q, 78 FR 62157 and 62285, Oct. 11, 2013, as amended at 78 FR 62289, Oct. 11, 2013]

**§ 217.202 Definitions.**

(a) Terms set forth in § 217.2 and used in this subpart have the definitions assigned thereto in § 217.2.