

FEBRUARY 21, 2018

RULES COMMITTEE PRINT 115–60

**TEXT OF H. R. 4296, TO PLACE REQUIREMENTS
ON OPERATIONAL RISK CAPITAL REQUIRE-
MENTS FOR BANKING ORGANIZATIONS ESTAB-
LISHED BY AN APPROPRIATE FEDERAL BANK-
ING AGENCY.**

**[Showing the text of H.R. 4296 as ordered reported by the
Committee on Financial Services.]**

1 **SECTION 1. OPERATIONAL RISK CAPITAL REQUIREMENTS**
2 **FOR BANKING ORGANIZATIONS.**

3 (a) IN GENERAL.—An appropriate Federal banking
4 agency may not establish an operational risk capital re-
5 quirement for banking organizations, unless such require-
6 ment—

7 (1) is based primarily on the risks posed by a
8 banking organization’s current activities and busi-
9 nesses;

10 (2) is appropriately sensitive to the risks posed
11 by such current activities and businesses;

12 (3) is determined under a forward-looking as-
13 sessment of potential losses that may arise out of a
14 banking organization’s current activities, businesses,

1 and exposures, which is not solely based on a bank-
2 ing organization’s historical losses; and

3 (4) permits adjustments based on qualifying
4 operational risk mitigants.

5 (b) DEFINITIONS.—For purposes of this section:

6 (1) APPROPRIATE FEDERAL BANKING AGEN-
7 CY.—The term “appropriate Federal banking agen-
8 cy”—

9 (A) has the meaning given such term
10 under section 3 of the Federal Deposit Insur-
11 ance Act; and

12 (B) means the National Credit Union Ad-
13 ministration, in the case of an insured credit
14 union.

15 (2) BANKING ORGANIZATION.—The term
16 “banking organization” means—

17 (A) an insured depository institution (as
18 defined under section 3 of the Federal Deposit
19 Insurance Act);

20 (B) an insured credit union (as defined
21 under section 101 of the Federal Credit Union
22 Act);

23 (C) a depository institution holding com-
24 pany (as defined under section 3 of the Federal
25 Deposit Insurance Act);

1 (D) a company that is treated as a bank
2 holding company for purposes of section 8 of
3 the International Banking Act; and

4 (E) a U.S. intermediate holding company
5 established by a foreign banking organization
6 pursuant to section 252.153 of title 12, Code of
7 Federal Regulations.

