

**DATE:** April 21, 2003

**SUBJECT:** Regulators Issue Interagency Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial System

**HIGHLIGHTS:** Three federal regulatory agencies have issued an "Interagency Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial System." Among other things, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission identified sound practices to strengthen the resilience of critical U.S. financial markets and minimize the immediate systemic effects of a wide-scale disruption.

On September 5, 2002, the agencies published for comment a draft of the paper in the Federal Register. The agencies have incorporated many of the suggestions that were made. The final paper, which applies most directly to the clearing and settlement activities of a limited number of financial institutions, provides more flexibility to firms in managing geographic dispersion of backup facilities and staffing arrangements, and takes into account other considerations relevant to cost-effective implementation of sound practices.

**DOCUMENT LOCATION:** The April 8, 2003 press release, including the interagency paper, is available at:

<http://www.federalreserve.gov/boarddocs/press/bcreg/2003/20030408/>

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