

MEMO# 21871

October 23, 2007

Treasury Initiates Review of Regulatory Structure Associated with U.S. Financial Institutions

[21871]

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TO: BOARD OF GOVERNORS No. 26-07

SEC RULES MEMBERS No. 140-07

SMALL FUNDS MEMBERS No. 100-07 RE: TREASURY INITIATES REVIEW OF REGULATORY STRUCTURE ASSOCIATED WITH U.S. FINANCIAL INSTITUTIONS

In connection with its examination of the competitiveness of the U.S. capital markets, the Treasury Department is evaluating, and seeking public comment on, the regulatory structure associated with U.S. financial institutions. [\[1\]](#) According to the Release, the Treasury Department believes that it is important to continue to evaluate the basic regulatory structure associated with financial institutions and to consider ways to improve efficiency, reduce overlap, and strengthen consumer and investor protection. The Release states that this will ensure that financial institutions have the ability to adapt to evolving market dynamics, including the increasingly global nature of financial markets.

The Release notes that the review of regulatory structure will focus on all types of financial institutions, including commercial banks and other insured depository institutions, insurance companies, securities firms, futures firms, and other types of financial intermediaries. The Release is seeking comments on a number of topics, including overlapping state and federal regulation, ways to improve market discipline and consumer protection, “principles-based” regulation vs. “rules-based” regulation, the strengths and weaknesses of having multiple regulators, and multiple federal charters for financial institutions.

Comments are due to the Treasury Department no later than Wednesday, November 21.

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endnotes

[\[1\]](#) See Review by the Treasury Department of the Regulatory Structure Associated with Financial Institutions, Department of the Treasury, 72 FR 58939 (October 17, 2007) (“Release”).

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