Press Release

AAF Releases Analysis Of The Volcker Rule

MARISOL GARIBAY | DECEMBER 10, 2013

The American Action Forum (@AAF) released an analysis of the final Volcker rule issued today by financial regulators. The exemptions included in the Volcker rule are examined as well as the supervision burden on financial regulators.

The analysis, written by Satya Thallam, AAF's Financial Services Policy Director, and Sam Batkins, AAF's Regulatory Policy Director, concludes that Congress should be wary of Volcker's effects. "Proprietary trading (the primary aim of the rule) was not a cause or major contributor to the recent financial crisis. Even recent major losses owing to such trading (JP Morgan's 'London Whale' trade) have not put the financial system at any risk of major disruption. Even if limiting participation in such trading activity were advisable, regulators should be concerned about the ability of their supervisory and examination apparatus to thread the needle between allowed and disallowed trades," conclude Thallam and Batkins.

Click here to read the analysis.