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Joint Release

**Board of Governors of the Federal Reserve System  
Office of the Comptroller of the Currency  
Securities and Exchange Commission  
New York State Banking Department**

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**Regulators Issue Draft White Paper on Sound Practices  
To Strengthen the Resilience of the U.S. Financial System**

WASHINGTON – Four financial services regulatory agencies today issued a “Draft White Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial System.”

The sound practices identified reflect the preliminary conclusions of the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Securities and Exchange Commission, and the New York State Banking Department regarding the factors necessary to strengthen the resilience of critical U.S. financial markets in the face of a wide-scale, regional disaster. The conclusions are based on recent interviews with industry participants and market utilities about actions being taken to strengthen their ability to recover and resume critical business activities in the event of future wide-scale, regional disruptions. The paper also discusses appropriate timetables for completing reviews and revisions of business continuity plans and implementation of the sound practices.

The sound practices apply most directly to “core clearing and settlement organizations” and “financial institutions that play significant roles in critical markets.” Critical markets are defined as the markets for federal funds, foreign exchange, commercial paper, and government, corporate, and mortgage-backed securities.

The agencies request comment on the appropriate scope and application of the sound practices and related issues. After consideration of the comments received, the agencies intend to issue a final version of the White Paper.

Comments are requested by October 21, 2002.

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Attachment

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