(PRLEAP.COM) **New York – December 26, 2013** – Strategic Consulting Services (www.strategiccs.org), a New York firm providing client-focused financial consulting for consumers, sees the newly approved "Volcker Rule" as an important step in upgrading the U.S. financial system. However it warns that the interpretation and implementation of the law will be the true test of successful reform. While intended to avoid another bailout of banks considered "too large to fail," the new policy is cited by critics as leaving too much regulatory leeway for failure in the future.

The Dodd-Frank Act was passed in 2010 addressing risky trading and lending that had contributed to the 2008 financial crisis. Within Dodd-Frank, a key component is the Volcker Rule which sets policy on how banks operate - banning "proprietary trading" when banks trade for their own profit, while also limiting the liabilities that the largest banks can hold. The Volcker Rule addresses this new reform in 892 pages and has been delayed from its originally scheduled 2012 adoption date. Over the last two years, the Volcker Rule has been reviewed comprehensively by the Commodity Futures Trading Commission, the Federal Deposit Insurance Corp, the Federal Reserve, the Office of the Comptroller of the Currency, and the Securities & Exchange Commission. This month, all five approved the Volcker Rule, which has now been extended until 2015 , giving financial institutions even more time to comply.

While the Volcker Rule is one of the most significant changes to financial regulations since the Great Depression, the rule recently included new provisions that are even tougher than the banks had expected. In contrast, early critics had said that the rule did not go far enough or was destined to fail by leaving too much leeway for regulators to interpret wording within a rule that does not distinguish between commercial and investment banking. While billions of dollars in banking profit are possibly impacted in the new ruling, the reaction of most large banks has been relatively constrained so far with Citigroup Chief Financial Officer John Gerspach going on record saying, "Any impact may hinge on the details of how banks are required to prove compliance."

While the Volcker Rule attempts to curb the risky behavior of financial institutions considered "too big to fail" and avoid another financial bailout, the new legislation only applies to large banks. The wording and oversight now included in the legislation applies to trading, profit, and financial protection at the top of the financial system without any change, supervision, or safeguards for individual consumer finance or small businesses.

"While perhaps a balanced compromise that banks and regulators can both live with, only time will tell if the new Volcker Rule will make a dramatic change to American banking and help avoid another public bailout of the financial system. Now we have a new regulatory framework that grants oversight committees authority to interpret wording and set policies," says Ben Kittle, Senior Financial Consultant at Strategic Consulting Services. "As a fundamental change for banking, the rule does establish more of a formal steward role for banks, but it leaves much of the detail up to interpretation and management by multiple regulatory organizations."

About Strategic Consulting Services Strategic Consulting Services is a financial services firm with teams specialized in Debt Management, Mortgages and Business Services. With a comprehensive client-focused approach, the Company provides assessments looking beyond immediate financial issues to help clients build greater financial strength with smart habits and choices. Since 2007, Strategic Consulting Services has helped individuals and small businesses create savings plans, reduce debt, and make wiser spending choices. For more information visit www.strategiccs.org .

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