
Joint Release

**Board of Governors of the Federal Reserve System
Commodity Futures Trading Commission
Federal Deposit Insurance Corporation
Office of Comptroller of the Currency
Securities and Exchange Commission**

For immediate release

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Agencies Finalize Changes to Simplify Volcker Rule

Five federal financial regulatory agencies on Tuesday announced that they finalized revisions to simplify compliance requirements relating to the "Volcker rule." By statute, the Volcker rule generally prohibits banking entities from engaging in proprietary trading or investing in or sponsoring hedge funds or private equity funds.

Under the revised rule, firms that do not have significant trading activities will have simplified and streamlined compliance requirements, while firms with significant trading activity will have more stringent compliance requirements. Community banks generally are exempt from the Volcker rule by statute. The revisions continue to prohibit proprietary trading, while providing greater clarity and certainty for activities allowed under the law. With the changes, the agencies expect that the universe of trades that are considered prohibited proprietary trading will remain generally the same as under the agencies' 2013 rule.

The changes were jointly developed by the Federal Reserve Board, the Commodity Futures Trading Commission, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission.

The rules will be effective on January 1, 2020, with a compliance date of January 1, 2021.

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Attachments:

[Final Rule](#)

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