
Joint Release

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

For immediate release

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Financial Regulators Modify Volcker Rule

Five federal regulatory agencies today finalized a rule modifying the Volcker rule's prohibition on banking entities investing in or sponsoring hedge funds or private equity funds—known as covered funds. The final rule is broadly similar to the proposed rule from January.

The Volcker rule generally prohibits banking entities from engaging in proprietary trading and from acquiring or retaining ownership interests in, sponsoring, or having certain relationships with a hedge fund or private equity fund.

Like the proposal, the final rule modifies three areas of the rule by:

- Streamlining the covered funds portion of rule;
- Addressing the extraterritorial treatment of certain foreign funds; and
- Permitting banking entities to offer financial services and engage in other activities that do not raise concerns that the Volcker rule was intended to address.

The rule will be effective on October 1.

Attachments:

[Final Rule](#)

[Statement by Chairman Jelena McWilliams](#)

[Fact Sheet](#)

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