
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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Agencies Issue Final Rules Implementing the Volcker Rule

Five federal agencies on Tuesday issued final rules developed jointly to implement section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Volcker Rule”).

The final rules prohibit insured depository institutions and companies affiliated with insured depository institutions (“banking entities”) from engaging in short-term proprietary trading of certain securities, derivatives, commodity futures and options on these instruments, for their own account. The final rules also impose limits on banking entities’ investments in, and other relationships with, hedge funds or private equity funds.

Like the Dodd-Frank Act, the final rules provide exemptions for certain activities, including market making, underwriting, hedging, trading in government obligations, insurance company activities, and organizing and offering hedge funds or private equity funds. The final rules also clarify that certain activities are not prohibited, including acting as agent, broker, or custodian.

The compliance requirements under the final rules vary based on the size of the banking entity and the scope of activities conducted. Banking entities with significant trading operations will be required to establish a detailed compliance program and their CEO will be required to attest that the program is reasonably designed to achieve compliance with the final rule. Independent testing and analysis of an institution’s compliance program will also be required. The final rules reduce the burden on smaller, less-complex institutions by limiting their compliance and reporting requirements. Additionally, a banking entity that does not engage in covered trading activities will not need to establish a compliance program.

The Federal Reserve Board announced on Tuesday that banking organizations covered by section 619 will be required to fully conform their activities and investments by July 21, 2015.

Attachment - Regulatory Text - **PDF** (PDF Help)
Fact Sheet - **PDF** (PDF Help)

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