



Insights

Fed Announces Extension of Volcker Rule Conformance Period for CLOs Until July 21, 2017

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On April 7th, the Federal Reserve Board (the Board) announced that it intends to allow banking entities two additional one-year extensions to conform their ownership interests in and sponsorship of certain collateralized loan obligations (CLOs) covered by the Volcker Rule. The Board had previously exercised its authority under Section 619 of the Dodd-Frank Act to extend the conformance period for the final Volcker Rule to July 15, 2015. However, under today's announcement, the conformance period would be further extended until July 21, 2017 for CLOs that were in place as of December 31, 2013 that do not qualify for the exclusion in the final Volcker Rule for loan securitizations.

As a result of the Board's announcement, a banking entity would not have to include ownership interests in CLOs to determine its investments under the final Volcker Rule and a banking entity would not be required to deduct CLO investments from tier 1 capital under the final Volcker Rule until the end of the new conformance period.

For a copy of the Board's announcement, please [click here](#).