

VOLCKER RULE: SECTION 619

- The Volcker Rule prohibits insured depository institutions and their parent holding companies from engaging in proprietary trading, except for limited purposes, and owning equity interests in private equity and hedge funds.
- Banks may have a “de minimis” interest in private equity and hedge funds, not to exceed 3% of Tier 1 Capital.
- There are exceptions, notably for market making, trading on U.S. guaranteed debt, GSEs, and to hedge specific risks. Foreign-owned banks and bank holding companies are not covered by the rule.