

MEMO# 32338

March 31, 2020

US Federal Reserve Delays Effective Date for Final Rule on "Control" Determinations Under Certain Banking Laws

[32338]

March 31, 2020 TO: ICI Members

ICI Global Members SUBJECTS: Compliance

International/Global

Investment Advisers RE: US Federal Reserve Delays Effective Date for Final Rule on "Control" Determinations Under Certain Banking Laws

As we previously informed you, the US Federal Reserve Board (FRB) adopted a final rule to revise its regulations related to determinations of whether a company has an ability to exercise a controlling influence over another company for purposes of the Bank Holding Company Act or the Home Owners' Loan Act.[\[1\]](#) The final rule was to become effective on April 1.

In a press release issued today, the FRB announced that it will delay the effective date of the rule by six months, to September 30.[\[2\]](#) The release states that "[t]he delay will reduce operational burden and allow institutions to focus on current economic conditions." It notes that "[n]o changes were made to the framework itself."

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endnotes

[\[1\]](#) For a discussion of the final rule and its implications for regulated US and non-US funds, see Institute Memorandum [32201](#), dated Feb. 7, 2020.

[2] *Federal Reserve Board announces it will delay by six months the effective date for its revised control framework*, press release dated March 31, 2020, available at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200331a.htm>.

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