

Title: Volcker rule amendments aka loopholes + Bill Hwang's YOLO play

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Ever since the 2008 financial crisis, you would think there would be some rules or regulations that limit or prevent financial entities from borrowing massive amounts of credit to make speculative bets that can cripple the system.

There is, or more so there was.

The Volcker Rule

<https://www.investopedia.com/terms/v/volcker-rule.asp>

Which states:

"The Volcker Rule is a federal regulation that generally prohibits banks from conducting certain investment activities with their own accounts and limits their dealings with hedge funds and private equity funds, also called covered funds."

In other words:

"Essentially, it prohibits banks from using their own accounts for short-term proprietary trading of securities, derivatives, and commodity futures, as well as options on any of these instruments"

So how was Bill Hwang able to get banks to legally sponsor his YOLO GME play?

In 2019, The feds lobbied to weaken these restrictions of the volcker rule so banks can have more capital to operate more freely. So they imposed amendments to the rule which became in effect as of Oct 1, 2020. Essentially it made revised exclusions of the rule to:

Venture capitals

Credit funds

Family wealth management vehicles

Customer facilitation vehicles

So they want banks to be able to move money much faster

<https://www.washingtonpost.com/business/2020/01/30/volcker-rule-fed/>

"Greg Baer, president of the Bank Policy Institute, an industry lobbying group, said the proposal is "all gain and no pain." It will "allow banks to get back to some important traditional commercial banking and asset management activities that the current rule prohibits, helping businesses grow and consumers build savings," he said in a statement"

Of course there were some who voice their opposition, our good friend

"“The Volcker Rule ban is now being turned into Swiss cheese, full of expansive loopholes that Wall Street will exploit,” said Dennis M. Kelleher, chief executive of Better Markets.”"

Even the feds own members were calling red flags on the amendments

<https://www.marketwatch.com/story/fed-other-regulators-approve-changes-to-volcker-rule-to-ease-bank-restrictions-2019-10-08/>

"Fed board member Lael Brainard issued a rare dissent to the final rule. She said "it weakens the core

protections against speculative trading within the banking federal safety net.”

Not only that, but guess who approved the amendment to weaken the rule

“In addition to the Federal Reserve, the other agencies announcing adoption of the new rule on Tuesday were the Federal Deposit Insurance Corp., the Commodity Futures Trading Commission, the Office of the Comptroller of the Currency and the Securities and Exchange Commission.”

No wonder why sec hasn't made any moves on bill hwang and why only now the DOJ is able to charge him with RICO

On a side note, guess who else is a family wealth manager/family office

Point72...mother fuckers.I wonder what fuckery the emu e been able to put at play because of these exceptions