

COVID-19 NEWS OF INTEREST

# Federal Reserve Board Delays Implementation of Control Standards Rule

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The Board of Governors of the Federal Reserve System (the “Board”) has delayed<sup>1</sup> the effective date of a final rule codifying certain presumptions relevant to the determination of whether a company exercises a “controlling influence” over another company for the purposes of the Bank Holding Company Act of 1956 and the Home Owners’ Loan Act of 1933 (the “Final Rule”)<sup>2</sup> from April 1, 2020 to September 30, 2020, in response to the economic disruption caused by the spread of COVID-19 and to accommodate requests from stakeholders for consultation with Board staff regarding the effects of the Final Rule.<sup>3</sup>

The Board anticipates that this delay will allow companies affected by the Final Rule to focus on COVID-19-related issues and provide them with additional time to analyze the impact of the Final Rule on their existing investments and relationships, and to consult with Board staff as necessary.

<sup>1</sup> Board of Governors of the Federal Reserve System, Control and Divestiture Proceedings (March 31, 2020), available [here](#).

<sup>2</sup> Board of Governors of the Federal Reserve System, Control and Divestiture Proceedings (January 30, 2020), available [here](#).

<sup>3</sup> For more information on the Final Rule, please see our client memorandum entitled “Federal Reserve Board Finalizes Control Standards Rule” (March 2, 2020), available [here](#).

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Willkie has multidisciplinary teams working with clients to address coronavirus-related matters, including, for example, contractual analysis, litigation, restructuring, financing, employee benefits, SEC and other corporate-related matters. Please click [here](#) to access our publications addressing issues raised by the coronavirus. For advice regarding the coronavirus, please do not hesitate to reach out to your primary Willkie contacts.

If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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