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116TH CONGRESS
1ST SESSION

H. R. 4966

To require the chief executive officers of global systemically important bank holding companies to provide annual testimony to Congress, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 2019

Ms. PRESSLEY introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To require the chief executive officers of global systemically important bank holding companies to provide annual testimony to Congress, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Greater Supervision In Banking Act of 2019" or the "GSIB Act of 2019".

SEC. 2. ANNUAL TESTIMONY OF GSIB CEOS.

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by adding at the end the following:

"SEC. 15. ANNUAL TESTIMONY OF GSIB CEOS.

''(a) ANNUAL REPORT.—Each global systemically important bank holding company shall issue an annual report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives containing a description of the activities of the company during the previous year and a description of the company's objectives and goals for the following year.

''(b) SPECIFIC CONTENTS.—Each report required under subsection (a) shall include a description of—

''(1) the company's size and complexity, including a listing of all company subsidiaries and their relationship to specified company business lines;

''(2) the current rating of the company and each depository bank subsidiary of the company under CAMELS or the LFI Ratings System, or any subsequent summary supervisory ratings system, and, if applicable, a general description of any outstanding issues that have led to the downgrading of such a rating, and how long such issues have been outstanding without being adequately addressed;

''(3) with respect to each depository institution subsidiary of the company, the number and geographic distribution of the branches of such subsidiary;

"(4) any enforcement actions, including any consent orders and settlements, against the company (including any affiliate or subsidiary of the company), including enforcement actions related to labor and health and safety law violations (in addition to consumer protection);

"(5) with respect to each enforcement action described under paragraph (3), the total number of consumers or investors harmed by the conduct that was the basis for such enforcement action;

"(6) the number of employees dismissed for misconduct, and whether any such employees were company executives;

"(7) the company's capital market activities, including with respect to securities (including underwriting, trading, and securitization) and derivatives, including—

"(A) the trading desk structure of the company, identifying each desk and the instruments traded or held at each desk;

"(B) the average and standard deviation of a metric of inventory, constructed using data on individual trading desk positions, for long securities positions, short securities positions, and derivatives, at each individual trading desk for a quarterly period six months prior to the reporting date; and

"(C) how the company complies with restrictions under section 13 of the Bank Holding Company Act of 1956 (commonly referred to as the 'Volcker Rule') at each trading desk, including a general description of the methodology for determining reasonably expected near term customer demand and for designing compensation practices at the desk so as not to create incentives for proprietary trading;

"(8) the extent to which the company utilizes forced arbitration clauses in contracts with consumers, employees, investors, and contractors;

"(9) the company's compensation and clawback policies, including how these policies are designed to promote accountability of company executives and how the compensation of the chief executive officer and other senior executives compares to the median compensation of an employee of the company;

"(10) with respect to compensation paid by the company—

"(A) the average amount of compensation received by each decile of employees; and

"(B) a break down of the base pay and incentive pay for each decile, including a descriptions of metrics, sales goals, or cross selling required to be met in order to qualify for the incentive or bonus pay;

"(11) the diversity of the directors of the company's board and senior executives, the policies and practices implemented at the company to promote diversity and inclusion among the company's workforce, and the policies implemented by the company to promote the use of diverse contractors, including diverse asset managers, brokers and underwriters;

"(12) the company's approach to cybersecurity and protecting consumer data;

"(13) the total number of whistleblower and ethics complaints made by employees through internal company protocols over the past year, what issues were involved in the complaints, and what the resolutions of the complaints were; and

"(14) a comparison of how the company's responses to paragraphs (1) through (13) have changed over the last ten years.

"(c) TESTIMONY.—The chief executive officer of each global systemically important bank holding company shall appear before the Committee on Banking, Housing, and

Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives at an annual hearing to testify with respect to the contents of the report required under subsection (a).

"(d) GLOBAL SYSTEMICALLY IMPORTANT BANK HOLDING COMPANY DEFINED.—In this section, the term 'global systemically important bank holding company' means a global systemically important bank holding company, as such term is defined under section 217.402 of title 12, Code of Federal Regulations.".

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