

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.

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## 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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Greater Supervision  
5 In Banking Act of 2019” or the “GSIB Act of 2019”.

6 **SEC. 2. ANNUAL TESTIMONY OF GSIB CEOS.**

7 The Bank Holding Company Act of 1956 (12 U.S.C.  
8 1841 et seq.) is amended by adding at the end the fol-  
9 lowing:

1 **“SEC. 15. ANNUAL TESTIMONY OF GSIB CEOS.**

2       “(a) ANNUAL REPORT.—Each global systemically  
3 important bank holding company shall issue an annual re-  
4 port to the Committee on Banking, Housing, and Urban  
5 Affairs of the Senate and the Committee on Financial  
6 Services of the House of Representatives containing a de-  
7 scription of the activities of the company during the pre-  
8 vious year and a description of the company’s objectives  
9 and goals for the following year.

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

12               “(1) the company’s size and complexity, includ-  
13 ing a listing of all company subsidiaries and their re-  
14 lationship to specified company business lines;

15               “(2) the current rating of the company and  
16 each depository bank subsidiary of the company  
17 under CAMELS or the LFI Ratings System, or any  
18 subsequent summary supervisory ratings system,  
19 and, if applicable, a general description of any out-  
20 standing issues that have led to the downgrading of  
21 such a rating, and how long such issues have been  
22 outstanding without being adequately addressed;

23               “(3) with respect to each depository institution  
24 subsidiary of the company, the number and geo-  
25 graphic distribution of the branches of such sub-  
26 sidiary;

1           “(4) any enforcement actions, including any  
2 consent orders and settlements, against the company  
3 (including any affiliate or subsidiary of the com-  
4 pany), including enforcement actions related to labor  
5 and health and safety law violations (in addition to  
6 consumer protection);

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

11           “(6) the number of employees dismissed for  
12 misconduct, and whether any such employees were  
13 company executives;

14           “(7) the company’s capital market activities, in-  
15 cluding with respect to securities (including under-  
16 writing, trading, and securitization) and derivatives,  
17 including—

18           “(A) the trading desk structure of the  
19 company, identifying each desk and the instru-  
20 ments traded or held at each desk;

21           “(B) the average and standard deviation of  
22 a metric of inventory, constructed using data on  
23 individual trading desk positions, for long secu-  
24 rities positions, short securities positions, and  
25 derivatives, at each individual trading desk for

1 a quarterly period six months prior to the re-  
2 porting date; and

3 “(C) how the company complies with re-  
4 strictions under section 13 of the Bank Holding  
5 Company Act of 1956 (commonly referred to as  
6 the ‘Volcker Rule’) at each trading desk, includ-  
7 ing a general description of the methodology for  
8 determining reasonably expected near term cus-  
9 tomer demand and for designing compensation  
10 practices at the desk so as not to create incen-  
11 tives for proprietary trading;

12 “(8) the extent to which the company utilizes  
13 forced arbitration clauses in contracts with con-  
14 sumers, employees, investors, and contractors;

15 “(9) the company’s compensation and clawback  
16 policies, including how these policies are designed to  
17 promote accountability of company executives and  
18 how the compensation of the chief executive officer  
19 and other senior executives compares to the median  
20 compensation of an employee of the company;

21 “(10) with respect to compensation paid by the  
22 company—

23 “(A) the average amount of compensation  
24 received by each decile of employees; and

1           “(B) a break down of the base pay and in-  
2           centive pay for each decile, including a descrip-  
3           tions of metrics, sales goals, or cross selling re-  
4           quired to be met in order to qualify for the in-  
5           centive or bonus pay;

6           “(11) the diversity of the directors of the com-  
7           pany’s board and senior executives, the policies and  
8           practices implemented at the company to promote  
9           diversity and inclusion among the company’s work-  
10          force, and the policies implemented by the company  
11          to promote the use of diverse contractors, including  
12          diverse asset managers, brokers and underwriters;

13          “(12) the company’s approach to cybersecurity  
14          and protecting consumer data;

15          “(13) the total number of whistleblower and  
16          ethics complaints made by employees through inter-  
17          nal company protocols over the past year, what  
18          issues were involved in the complaints, and what the  
19          resolutions of the complaints were; and

20          “(14) a comparison of how the company’s re-  
21          sponses to paragraphs (1) through (13) have  
22          changed over the last ten years.

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

1 Urban Affairs of the Senate and the Committee on Finan-  
2 cial Services of the House of Representatives at an annual  
3 hearing to testify with respect to the contents of the report  
4 required under subsection (a).

5 “(d) GLOBAL SYSTEMICALLY IMPORTANT BANK  
6 HOLDING COMPANY DEFINED.—In this section, the term  
7 ‘global systemically important bank holding company’  
8 means a global systemically important bank holding com-  
9 pany, as such term is defined under section 217.402 of  
10 title 12, Code of Federal Regulations.”.

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