

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: September 6, 2024

Re: September 11, 2024, Financial Institutions and Monetary Subcommittee Hearing

On Wednesday, September 11, 2024, at 10:00 a.m. in Room 2128 of the Rayburn House Office Building, the Subcommittee on Financial Institutions and Monetary Policy of the Committee on Financial Services will hold a hearing titled “Transparency in Global Governance.” Testifying at the hearing will be:

- Christina Parajon Skinner, Associate Professor of Legal Studies & Business Ethics, the Wharton School, University of Pennsylvania
- Paul H. Kupiec, Senior Fellow, American Enterprise Institute
- Elizabeth Jacobs, Senior Specialist, Sustainable Finance, E3G

Background

On July 27, 2023, the Federal Reserve, FDIC, and OCC jointly issued a Notice of Proposed Rulemaking that would implement the so-called Basel III Endgame recommendations (often cited by those regulators as a Basel “agreement”) agreed upon in the Basel Committee on Banking Supervision (BCBS). Those federal banking agencies also issued proposed principles for financial institutions’ management of exposures to purported climate-related financial risks, following recommendations of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), and the Bank for International Settlements (BIS) and BCBS.

U.S. financial regulators, including federal banking agencies, have increasingly worked in unison with global governance bodies to shape the U.S. regulatory framework governing U.S. financial institutions, and to develop future U.S. payments and currency technologies. Neither the U.S. regulators nor the numerous and growing set of global governance bodies with which they interact have been adequately transparent about substantive decisions that have direct and meaningful consequences for U.S. financial institutions and the U.S. financial system.

This hearing will allow the Subcommittee to further explore and better understand the lack of transparency in global governance bodies decision making process, including the role of U.S. regulatory agencies with whom they interact and the impact of that decision making on the U.S. financial system.