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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

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

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

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”.

1 **SEC. 2. ANNUAL TESTIMONY OF G-SIB CEOS.**

2 The Bank Holding Company Act of 1956 (12 U.S.C.
3 1841 et seq.) is amended by adding at the end the fol-
4 lowing::

5 **“SEC. 15. ANNUAL TESTIMONY OF G-SIB CEOS.**

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

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

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

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

1 “(3) with respect to each depository institution
2 subsidiary of the company, the number and geo-
3 graphic distribution of the branches of such sub-
4 sidiary;

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

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

15 “(6) the number of employees dismissed for
16 misconduct, and whether any such employees were
17 company executives;

18 “(7) the company’s capital market activities, in-
19 cluding with respect to securities (including under-
20 writing, trading, and securitization) and derivatives,
21 including—

22 “(A) the trading desk structure of the
23 company, identifying each desk and the instru-
24 ments traded or held at each desk;

1 “(B) the average and standard deviation of
2 a metric of inventory, constructed using data on
3 individual trading desk positions, for long secu-
4 rities positions, short securities positions, and
5 derivatives, at each individual trading desk for
6 a quarterly period six months prior to the re-
7 porting date;

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

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

20 “(9) the company’s compensation and clawback
21 policies, including how these policies are designed to
22 promote accountability of company executives and
23 how the compensation of the chief executive officer
24 and other senior executives compares to the median
25 compensation of an employee of the company;

1 “(10) with respect to compensation paid by the
2 company—

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

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

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

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

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

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

4 “(c) TESTIMONY.—The chief executive officer of each
5 global systemically important bank holding company shall
6 appear before the Committee on Banking, Housing, and
7 Urban Affairs of the Senate and the Committee on Finan-
8 cial Services of the House of Representatives at an annual
9 hearing to testify with respect to the contents of the report
10 required under subsection (a).

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