

Better Markets

NPR on Incentive-Based Compensation Arrangements (Dodd-Frank Act Section 956)

(Docket No. R-1536)

On August 24, 2016, Steve Hall and Lev Bagramian from Better Markets met with staff from the agencies that issued the NPR. The following agency representatives were present in person or by phone at the meeting: Melissa Lisenbee, Patrick Tierney and Alison MacDonald from the Office of the Comptroller of the Currency; Rosalind Bennett and Catherine Topping from the Federal Deposit Insurance Corporation; Mary Pat Fox, Rick Oettinger and Lindsay Simmons from the Federal Housing Finance Agency; and Natasha Greiner, Alpa Patel, Sirimal Mukherjee, Emily Rowland, Jon Shapiro and Kevin Schopp from the Securities and Exchange Commission. Attendees from the Federal Reserve Board were Joe Maldonado and Meg Donovan from the Division of Banking Supervision and Regulation, and Michael Waldron from the Legal Division.

The Better Markets representatives indicated that they supported a number of features of the proposal, such as the scope of the significant risk taker definition, but also expressed a number of concerns, including the triggers and non-mandatory nature of the clawback provisions, the length of the proposed minimum deferral periods (a preference for “cliff vesting” was also noted), the lack of a stronger limitation on the use of stock options, and the lack of a prohibition on personal hedging of incentive compensation.