

Fidelity Investments

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

(Docket No. R-1536)

On July 7, 2016, the following representatives from Fidelity Investments met with staff from the agencies that issued the NPR: Jenna Paul, Walton Liles, Mike Lyons, Pete Stahl and Pam Everhart. The following agency representatives were present in person or by phone at the meeting: Melissa Lisenbee and Alison MacDonald from the Office of the Comptroller of the Currency; Rae-Ann Miller and Catherine Topping from the Federal Deposit Insurance Corporation; Mary Pat Fox and Lindsay Simmons from the Federal Housing Finance Agency; and Ray Lombard, Natasha Greiner and Kevin Schopp from the Securities and Exchange Commission. Attendees from the Federal Reserve Board were Meg Donovan from the Division of Banking Supervision and Regulation, and Michael Waldron from the Legal Division.

The Fidelity representatives expressed a number of concerns, including whether certain broker-dealer balance sheet assets should be counted for purposes of the proposal's asset size threshold, whether there should be discretion to treat covered institutions as less risky than their asset size category, and the inclusion of an inflation adjustment for the asset size categories. The Fidelity representatives indicated that compliance with the proposal would be more difficult than compliance with the 2011 proposal would have been, and would require significant revisions of incentive compensation plans for little benefit.