

SIFMA

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

(Docket No. R-1536)

On June 29, 2016, the following representatives from the organizations noted met with staff from the agencies that issued the NPR: Andy Blocker, Carter McDowell, and Peter Matheson from SIFMA, Elizabeth Varley from Ameriprise, Bret Hester from Barclays, Judith Verhave and Bennett Josselsohn from BNY Mellon, Arthur Kohn and Mary Alcock from Cleary Gottlieb, Kyoko Lin Takahashi, Jean McLoughlin, and Margaret Tahyar from Davis Polk, Esta Stecher and Michael Paese from Goldman Sachs, Joe Timmins from Janney Montgomery, Sarah Gill from LPL, Patricia Gould from Morgan Stanley, Mark Schuermann from Nomura, David Lambert from TD Ameritrade, and Kevin Willen from U.S. Bank. The following agency representatives were present at the meeting: Debra Peery, Patrick Tierney, Melissa Lisenbee, and Alison MacDonald from the Office of the Comptroller of the Currency; Catherine Topping, Nefretete Smith, and Rosalind Bennett from the Federal Deposit Insurance Corporation; Mary Pat Fox and Christopher Curtis from the Federal Housing Finance Agency; Alpa Patel, Kevin Schopp, and Natasha Greiner from the Securities and Exchange Commission, and Elizabeth Wirick from the National Credit Union Administration. Attendees from the Federal Reserve Board were Michael Solomon, Meg Donovan, and Joe Maldonado from the Division of Banking Supervision and Regulation, and Gillian Burgess from the Legal Division.

The representatives shared a number of concerns with the NPR, particularly around the effect the proposed rule would have on ability of financial institutions to recruit and retain talent. The representatives indicated that they would submit written comments outlining their concerns, which primarily focused on the scope of the rule, the length of clawback periods, the definition of “incentive-based compensation,” consolidation, the standard for determining control of a covered institution, the role of the board of directors, and the composition of deferred incentive-based compensation under the proposed rule.