H. R. 3948

To require the global systemically important bank holding companies to provide annual reports to the Board of Governors of the Federal Reserve System, 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 global systemically important bank holding companies to provide annual reports to the Board of Governors of the Federal Reserve System, 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 2021” or the “GSIB Act of 2021”.

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SEC. 2. GSIB ANNUAL REPORTS.

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by adding at the end the following:

“SEC. 15. GSIB ANNUAL REPORTS.

“(a) ANNUAL REPORT.—Each global systemically important bank holding company shall issue an annual report to the Board containing a description of the activities of the company during the previous year and a description of the company’s objectives and goals for the following year.

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

“(1) the company’s size and complexity, including a listing of all company subsidiaries and their relationship to specified company business lines;

“(2) with respect to each depository institution subsidiary of the company, the number and geographic distribution of the branches of such subsidiary;

“(3) any enforcement actions, including any consent orders and settlements, against the company (including any affiliate or subsidiary of the company), including enforcement actions related to labor and health and safety law violations (in addition to consumer protection);
“(4) with respect to each enforcement action described under paragraph (3), the total number of consumers, employees, or investors harmed by the conduct that was the basis for such enforcement action;

“(5) the number of employees dismissed for misconduct, and whether any such employees were company executives;

“(6) the company’s capital market activities, including with respect to securities (including underwriting, trading, and securitization) and derivatives, including—

“(A) the trading desk structure of the company, identifying each desk and the instruments traded or held at each desk;

“(B) the average and standard deviation of a metric of inventory, constructed using data on individual trading desk positions, for long securities positions, short securities positions, and derivatives, at each individual trading desk for a quarterly period six months prior to the reporting date;

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

“(D) the total profit or loss attributed to
the company’s trading account, including a
breakdown of profit earned on fees, commis-
sions, and spreads, and a description of the
source of trading account profit or loss that
cannot be attributed to fees, commissions, and
spreads;

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

“(8) the company’s compensation and clawback
policies, including—

“(A) how these policies are designed to
promote accountability of company executives;

“(B) how the compensation of the chief ex-
ecutive officer and other senior executives com-
pares to the median compensation of an em-
ployee of the company; and
“(C) a detailed description of any stipulation that third-party vendor of the company pays its employees a minimum wage;

“(9) with respect to compensation paid by the company—

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

“(B) a break down of the base pay and incentive pay for each decile, including a description of metrics, sales goals, or cross selling required to be met in order to qualify for the incentive or bonus pay;

“(C) the minimum wage received by employees; and

“(D) the number of employees who receive the minimum wage;

“(10) the diversity of the directors of the company’s board and senior executives, the policies and practices implemented at the company to promote diversity and inclusion among the company’s workforce, and the policies implemented by the company to promote the use of diverse contractors, including diverse asset managers, brokers and underwriters;

“(11) the company’s approach to cybersecurity and protecting consumer data;
“(12) the total number of whistleblower and ethics complaints made by employees through internal company protocols over the past year, what issues were involved in the complaints, and what the resolutions of the complaints were;

“(13) the company’s actions taken in relation to climate risk and contribution to climate change, including—

“(A) any financed emissions targets set by the company and whether they are aligned with the United States’ obligations to hold global warming as close to 1.5 degrees Celsius as possible;

“(B) their reliance on offsets to achieve those targets and the expected sources of those offsets;

“(C) amount of financing provided in the last year and committed to in future years to companies involved in fossil fuel expansion and any plans to phase out financing to companies involved in fossil fuel expansion; and

“(D) the projected effect of global failure to achieve the science-based emissions targets on the company’s solvency, including the pro-
jected effect of 3 degrees Celsius or more of warming;

“(14) the company’s involvement in projects that contribute to or mitigate disproportionate environmental harms to communities of color or indigenous peoples, or other forms of environmental racism, including—

“(A) financing for oil and gas extraction, oil and gas refineries, petrochemical plants and pipeline projects located in low-income census tracts, majority-minority census tracts, or on indigenous lands, or for companies that build or operate these projects;

“(B) financing for deforestation and mining on indigenous lands anywhere in the world;

“(C) impact on indigenous people’s rights of any nature-based offsets purchased by the company; and

“(D) any investments made or other actions taken by the company to address and mitigate previous financing of environmental racism, including but not limited to efforts made to secure Free Prior and Informed Consent; efforts made to compensate impacted individuals living in close proximity to financed oil
and gas facilities or projects; and funds for site cleanup;

“(15) the company’s investments in, partnerships with, and support provided to minority depository institutions and community development financial institutions;

“(16) any merger or acquisition that was completed in the previous year, including—

“(A) a description of how each merger or acquisition affected the company’s size and complexity;

“(B) an account of the retail branch closures that resulted from the merger or acquisition;

“(C) a description of any regional markets that experienced a change in market concentration, as measured by the Herfindahl-Hirschman Index, resulting from the merger or acquisition;

“(D) a description of any regional markets that experienced a change in the company’s regional share of deposits resulting from the merger or acquisition;

“(E) a list of Federal or State government agencies that approved the transaction; and
“(F) a description of any conditions placed by a Federal or State government agency on the company when the transaction was approved; and

“(17) a comparison of how the company’s responses to paragraphs (1) through (15) have changed over the last ten years.

“(c) PUBLIC AVAILABILITY OF REPORTS.—The Board shall make the reports received under this section available to the public, including on the website of the Board.

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