

117TH CONGRESS  
1ST SESSION

# 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.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2021

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

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## 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”.

1 **SEC. 2. GSIB ANNUAL REPORTS.**

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. GSIB ANNUAL REPORTS.**

6 “(a) ANNUAL REPORT.—Each global systemically  
7 important bank holding company shall issue an annual re-  
8 port to the Board containing a description of the activities  
9 of the company during the previous year and a description  
10 of the company’s objectives and goals for the following  
11 year.

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

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

17 “(2) with respect to each depository institution  
18 subsidiary of the company, the number and geo-  
19 graphic distribution of the branches of such sub-  
20 sidiary;

21 “(3) any enforcement actions, including any  
22 consent orders and settlements, against the company  
23 (including any affiliate or subsidiary of the com-  
24 pany), including enforcement actions related to labor  
25 and health and safety law violations (in addition to  
26 consumer protection);

1           “(4) with respect to each enforcement action  
2           described under paragraph (3), the total number of  
3           consumers, employees, or investors harmed by the  
4           conduct that was the basis for such enforcement ac-  
5           tion;

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

9           “(6) the company’s capital market activities, in-  
10          cluding with respect to securities (including under-  
11          writing, trading, and securitization) and derivatives,  
12          including—

13               “(A) the trading desk structure of the  
14               company, identifying each desk and the instru-  
15               ments traded or held at each desk;

16               “(B) the average and standard deviation of  
17               a metric of inventory, constructed using data on  
18               individual trading desk positions, for long secu-  
19               rities positions, short securities positions, and  
20               derivatives, at each individual trading desk for  
21               a quarterly period six months prior to the re-  
22               porting date;

23               “(C) how the company complies with re-  
24               strictions under section 13 of the Bank Holding  
25               Company Act of 1956 (commonly referred to as

1 the ‘Volcker Rule’) at each trading desk, includ-  
2 ing a general description of the methodology for  
3 determining reasonably expected near term cus-  
4 tomer demand and for designing compensation  
5 practices at the desk so as not to create incen-  
6 tives for proprietary trading; and

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

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

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

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

21 “(B) how the compensation of the chief ex-  
22 ecutive officer and other senior executives com-  
23 pares to the median compensation of an em-  
24 ployee of the company; and

1           “(C) a detailed description of any stipula-  
2           tion that third-party vendor of the company  
3           pays its employees a minimum wage;

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

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

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

13          “(C) the minimum wage received by em-  
14          ployees; and

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

17          “(10) the diversity of the directors of the com-  
18          pany’s board and senior executives, the policies and  
19          practices implemented at the company to promote  
20          diversity and inclusion among the company’s work-  
21          force, and the policies implemented by the company  
22          to promote the use of diverse contractors, including  
23          diverse asset managers, brokers and underwriters;

24          “(11) the company’s approach to cybersecurity  
25          and protecting consumer data;

1           “(12) the total number of whistleblower and  
2 ethics complaints made by employees through inter-  
3 nal company protocols over the past year, what  
4 issues were involved in the complaints, and what the  
5 resolutions of the complaints were;

6           “(13) the company’s actions taken in relation to  
7 climate risk and contribution to climate change, in-  
8 cluding—

9           “(A) any financed emissions targets set by  
10 the company and whether they are aligned with  
11 the United States obligations to hold global  
12 warming as close to 1.5 degrees Celsius as pos-  
13 sible;

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

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

22           “(D) the projected effect of global failure  
23 to achieve the science-based emissions targets  
24 on the company’s solvency, including the pro-

1           jected effect of 3 degrees Celsius or more of  
2           warming;

3           “(14) the company’s involvement in projects  
4           that contribute to or mitigate disproportionate envi-  
5           ronmental harms to communities of color or indige-  
6           nous peoples, or other forms of environmental rac-  
7           ism, including—

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

14                  “(B) financing for deforestation and min-  
15                  ing on indigenous lands anywhere in the world;

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

19                  “(D) any investments made or other ac-  
20                  tions taken by the company to address and  
21                  mitigate previous financing of environmental  
22                  racism, including but not limited to efforts  
23                  made to secure Free Prior and Informed Con-  
24                  sent; efforts made to compensate impacted indi-  
25                  viduals living in close proximity to financed oil

1           and gas facilities or projects; and funds for site  
2           cleanup;

3           “(15) the company’s investments in, partner-  
4           ships with, and support provided to minority deposi-  
5           tory institutions and community development finan-  
6           cial institutions;

7           “(16) any merger or acquisition that was com-  
8           pleted in the previous year, including—

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

12                  “(B) an account of the retail branch clo-  
13                  sures that resulted from the merger or acquisi-  
14                  tion;

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

19                  “(D) a description of any regional markets  
20                  that experienced a change in the company’s re-  
21                  gional share of deposits resulting from the  
22                  merger or acquisition;

23                  “(E) a list of Federal or State government  
24                  agencies that approved the transaction; and



1                   “(F) a description of any conditions placed  
2                   by a Federal or State government agency on  
3                   the company when the transaction was ap-  
4                   proved; and

5                   “(17) a comparison of how the company’s re-  
6                   sponses to paragraphs (1) through (15) have  
7                   changed over the last ten years.

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

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

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