

Federal Reserve finalizes Board Effectiveness Guidance for large financial institutions

March 3, 2021 | Client Update

The Federal Reserve's final guidance on board of directors' effectiveness (Board Effectiveness Guidance) is a key milestone in its multi-year review of the practices of boards of directors, particularly at the largest banking organizations. This memorandum describes the final Board Effectiveness Guidance and highlights key changes from the proposal. It also describes its interactions with fiduciary duties and listing requirements. The Federal Reserve also announced the results of its review of 27 SR letters which contain supervisory expectations for boards. This memorandum summarizes the changes to each of the SR letters, which show a clear trend towards fewer tasks for the board and a better understanding of the board's oversight role.

[Read the full update](#)

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

John Banes

+1 212 450 4116
john.banes@davispolk.com

Luigi L. De Ghenghi

+1 212 450 4296
luigi.deghenghi@davispolk.com

Eric McLaughlin

+1 212 450 4897
eric.mclaughlin@davispolk.com

Margaret E. Tahyar

+1 212 450 4379
margaret.tahyar@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.