

Federal Agencies Finalize Proposed Interagency Rule on Incentive-Based Compensation for Financial Institutions

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Yesterday seven federal agencies jointly finalized a proposed rule under Section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that would subject financial institutions with \$1 billion of assets to substantive and procedural requirements relating to incentive-based compensation. Financial institutions with \$50 billion of assets would be subject to additional substantive requirements, including mandatory deferral of such compensation. These requirements would apply to a wide array of financial institutions, including banks, broker-dealers and investment advisers. Other institutions also may be affected.

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.

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