

# **Federal Reserve Proposed Guidance: Aligning Incentive Compensation with Safety and Soundness Concerns**

October 27, 2009 | Client Update

The Federal Reserve proposed on October 22 a new regulatory framework that would for the first time put compensation practices at the heart of the U.S. financial regulatory regime. The proposed guidance is likely to impact the way that all U.S. banking organizations, whether or not directly regulated by the Federal Reserve, establish and administer compensation standards for executive and non-executive employees.

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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