## Bank Regulators Revive Restrictions on Incentive-Based Compensation



Financial regulators have proposed new rules limiting the incentive pay of employees and other service providers at financial institutions, report **Mark Jones** and **Robert L. Tian** of Pillsbury Winthrop Shaw Pittman LLP.

"The new rules seek to establish general requirements applicable to the incentive-based compensation arrangements of covered persons working in covered institutions. Covered persons are any executive officers, employees, directors or principal shareholders who receive incentive-based compensation at a covered institution. Additional restrictions apply to senior executive officers and significant risktakers," they write.

Their article discusses the prohibition of excessive compensation, appropriate performance measures, effective controls, approval by the board of directors, and disclosure and record-keeping.

Read the article.