

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: October 19, 2023

Re: October 24, 2023, Financial Institutions and Monetary Subcommittee Hearing

On Tuesday, October 24, 2023, 2023, at 10:00 a.m. in Room 2220 of the Rayburn House Office Building, the Financial Services Subcommittee on Financial Institutions and Monetary Policy will hold a hearing titled “The Tangled Web of Global Governance: How the Biden Administration is Ceding Authority Over American Financial Regulation.” Testifying at the hearing will be:

- Thomas Hoenig, Distinguished Senior Fellow, Mercatus Center, George Mason University
- Christina Parajon Skinner, Assistant Professor of Legal Studies & Business Ethics, Wharton School, University of Pennsylvania
- Bryan Bashur, Director of Financial Policy, Americans for Tax Reform
- Renita Marcellin, Advocacy and Legislative Director, Americans for Financial Reform

Background

On July 27, 2023, the Federal Reserve, FDIC, and OCC jointly issued a Notice of Proposed Rulemaking that would implement the so-called Basel III Endgame recommendations of the Basel Committee on Banking Supervision (BCBS). Those federal banking agencies also issued proposed principles for financial institutions’ management of exposures to purported climate-related financial risks, following recommendations of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), recommendations of the Financial Stability Oversight Council (FSOC), and an Executive Order by President Biden.

U.S. financial regulators, including federal banking agencies, have, in effect, increasingly ceded portions of their authority to international and domestic intergovernmental organizations. This has decreased transparency in development of U.S. regulatory frameworks and reduced regulators’ accountability. As a result, U.S. federal banking agencies and the global governance organizations remain opaque and unaccountable to Congress and the American people. This hearing will allow the Subcommittee to better understand the contents of those agreements and the responsibilities assumed by banking agencies and their staff.