

# Citigroup lifts EU bonus cap for top London bankers, aligning with Wall Street rivals

Citigroup has joined the ranks of Wall Street banks discarding an EU-imposed bonus cap, setting the stage for heftier rewards for some of its top London employees.

According to an internal memo, the bank will now allow material risk-takers (MRTs) to receive bonuses up to six times their base salary, a significant increase from the previous 2:1 ratio.

The memo also noted that Citi does not intend to make substantial changes to MRTs' fixed pay at present, aligning with the strategies of competitors JPMorgan and Barclays, which have adopted a more generous 10:1 bonus limit.

Goldman Sachs initiated the trend by eliminating the cap in May, enabling its leading London staff to potentially earn up to 25 times their annual salary. Morgan Stanley is likewise preparing to introduce a new cap but has yet to disclose specifics.

In response to the EU's bonus restrictions, Citi and other banks had implemented role-based allowances effectively bonuses that increased MRTs' fixed pay portion, as reported by [City AM](#).

With the removal of the cap, Citi plans to cut back on these allowances starting January.

A spokesperson for Citi stated: "The proposed changes to our discretionary, variable and fixed compensation levels give us

the right structure to offer competitive pay, remain highly attractive to the very best talent and encourage behaviours that are in the best interests of our customers, shareholders and the goals of our organisation.”

Last October, UK financial regulators announced they would remove the pre-Brexit requirement for banks to cap variable pay at 100 per cent of base salary for MRTs, or up to 200 per cent with shareholder approval. This cap was introduced in 2014 by the EU as part of efforts to limit excessive risk-taking following the financial crisis.

Banks still face other measures to ensure their pay policies do not reward risk-taking, including the Financial Conduct Authority’s remuneration code. Bloomberg News was the first to report these changes at Citi.

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