

Chairman Schapiro's Speech Provides a Window into the SEC Governance Agenda

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SEC Chairman Schapiro recently made a [speech](#) about corporate governance at the Transatlantic Corporate Governance Dialogue which provides some insight into upcoming SEC initiatives in this area. In her speech, she indicated that the Commission is considering:

- how to provide guidance on how the federal securities laws should regulate the activities of proxy advisory firms. It's unclear what the careful choice of words that led to "how to provide guidance on how to regulate" suggests for issuers eager to see greater SEC regulation of these firms;
- how to require participants in the voting process to share information in order to allow for vote confirmation, as currently it is not logistically possible; and
- possible major changes to the beneficial ownership rules, including (a) shortening the Form 13D 10-day filing requirement; (b) changing reporting for use of cash-settled equity swaps and other types of derivatives; and (c) changing the form and information on Forms 13D and 13G. She discussed the arguments in the debate, and noted that the first step is likely to be through a concept release "given the controversy surrounding some of the issues."

In addition, she reiterated her support for a mandatory proxy access rule, without mentioning whether the SEC will make another attempt in the near future. Instead, Chairman Schapiro extolled the type of "private ordering" now available under Rule 14a-8 for proxy access, which she believes could, over time, bring about shareholders' ability to nominate directors at more and more companies.

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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