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Initial Comments on Pay Ratio Rules

September 27, 2013 | Client Update

Comments on the SEC pay ratio rule proposal are due on December 2. Fifty-seven short letters from individuals have already been **submitted** and made public as of September 24. They do not respond to the 60 specific questions raised in the proposal, a misleading number in any case because almost all of the questions include more than one line of inquiry.

All but a handful were overwhelmingly supportive of the disclosure, with many citing value in transparency. A few expressed concerns that the permitted flexibility might allow room for manipulation, "….what's stopping any issuer from merely making an educated or best guess and reporting that number as the median," but most merely want the proposal to be adopted.

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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