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Chair White Addresses Status of SEC Rulemaking Under Dodd-Frank Act

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For those who wondered what happened to the rule proposal that the SEC issued in January 2011 requiring that investment managers report their say-on-pay votes at least annually, the staff is working on drafting final rules for the Commission's consideration "in the near term," according to Chair White.

This was one of many rules that Chair White discussed in her **testimony** before the Senate Committee on Banking, Housing and Urban Affairs about the SEC's ongoing implementation of the Dodd-Frank Act. She stated that the Commission has focused on eight key areas from the Act: credit rating agencies; asset-backed securities; municipal advisors; asset management, including regulation of private fund advisers; over-the-counter derivatives; clearance and settlement; proprietary activities by financial institutions; and executive compensation. Other highlights in terms of trying to anticipate future Commission action include:

Pay ratio disclosure. The Commission has received over 128,000 comment letters on the proposal, the vast majority of which are form letters of one kind or another. More than 1,000 specific letters were submitted. The staff is "preparing recommendations for the Commission for a final rule."

Other Dodd-Frank executive compensation rulemaking. The staff is developing recommendations for the Commission, to be taken up by the Commission "in the near future."

Conflict minerals. On May 29, 2014, the Commission filed a petition asking the Court of Appeals to hold the case for potential panel rehearing or rehearing *en banc* once the Court of Appeals issued a decision on *American Meat Institute v. USDA*. That case was decided on July 29, 2014, as we discussed **here**. On August 28, 2014, the Court ordered the appellants to file a response to both the SEC's and Amnesty International's petitions for rehearing *en banc* in NAM by September 12, 2014.

Resource extraction. Since the court vacated the rules in July 2013, the SEC has met with interested parties and is considering the comments received in order to formulate revised rules.

Incentive-based compensation arrangements for certain financial institutions. In March 2011, the Commission, working with other regulators, published for comment a proposed rule. The staff is working with fellow regulators to develop recommendations for final rules.

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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