

Acting SEC Chairman Seeks Input on Pay Ratio Rule

February 6, 2017 | Client Update

Acting SEC Chairman Piwowar issued a [statement](#) today asking for public comment on any “unexpected challenges” that companies have experienced as they prepared for compliance with the pay ratio rule and “whether relief is needed.” Chairman Piwowar encourages submission of detailed comments within the next 45 days, which can be submitted [here](#).

Chairman Piwowar’s statement indicates that he has also directed to SEC staff to reconsider the implementation of the rule based on any comments submitted and to determine as promptly as possible whether additional guidance or relief may be appropriate.

The pay ratio rule, the only executive compensation rule required under the Dodd-Frank Act that is in final form, requires disclosure for companies with calendar year-end fiscal years starting with 2018 proxy statements. The Chairman’s statement acknowledges that many companies have already started the process of collecting the necessary information, as it indicates his understanding that companies “need to be informed of any further Commission or staff action as soon as possible in order to plan and adjust their implementation processes accordingly.” He encourages commenters and the staff to “expedite their review in light of these unique circumstances.”

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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