

Congressional Lawmakers Push SEC Chairman to Focus on Board Diversity Disclosure

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Two letters from members of the House of Representatives directed Chairman Clayton to continue his predecessor's efforts toward requiring companies to provide more information on the diversity composition of their boards.

Citing research that found that only half of S&P 100 companies referenced gender when disclosing their board diversity, Representatives Carolyn Maloney (D-NY) and Donald Beyer (D-VA) [asked](#) Clayton to consider the SEC staff's review of the existing rule previously ordered by former SEC Chair White. In March, Representative Maloney reintroduced a bill on board gender diversity that would require the SEC to establish a group to study and make recommendations on ways to increase gender diversity on boards. Companies must also disclose the gender composition of their boards.

Representative Gregory Meeks (D-NY), along with 28 other House Democrats, [requested](#) that Clayton go further, and to work on a rule proposal. That letter also asked the SEC to share with Congress the status of the SEC staff's review.

Earlier this year, the SEC Advisory Committee on Small and Emerging Companies recommended to Acting Chairman Piwowar that the Commission amend the SEC regulations to require companies to describe the extent to which their boards are diverse, and to include in that disclosure information regarding the race, gender and ethnicity of each member.

In Chairman Clayton's questionnaire pertaining to his nomination, he was asked specifically for his views on the effectiveness of the SEC's board diversity rule, and whether he would commit to working to update the rule to provide investors with information on the racial, ethnic and gender composition of boards as well as any efforts to improve board diversity.

In his response, Clayton stated his belief in the value of diversity and his understanding that companies and their investors are continuing to engage on the issue, and that "disclosure practices are evolving as a result." Then he indicated that he will work with his fellow commissioners, the SEC staff (including the Office of Minority and Women Inclusion) and the SEC's Advisory Committee on Small and Emerging Companies to "monitor this issue."

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.

Ning Chiu

+1 212 450 4908

ning.chiu@davispolk.com

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