

## SEC Proposes to Raise Shareholder Proposal Eligibility Thresholds and Regulate Proxy Advisory Services

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At an open meeting yesterday, the Securities and Exchange Commission proposed substantial amendments to the shareholder proposal rules. One proposed change is a stricter, tiered approach to the eligibility thresholds for submitting shareholder proposals that nonetheless includes the current \$2,000 threshold so long as the proponent has held the shares for at least three years. The proposed rules would also raise resubmission thresholds.

In addition, the Commission proposed amendments to the rules governing proxy voting advice, including to permit companies to review and provide feedback on voting recommendation reports. The proposed rules also impose conditions for exemption under the proxy solicitation rules and modify the anti-fraud rules. The proposed amendments also include examples of disclosure failures that implicate the anti-fraud rules.

[Read the Client Alert >](#)

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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