

SEC Adopts Final Pay Ratio Disclosure Rule

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On August 5, 2015, in a 3-2 vote, the SEC adopted a [final rule](#) implementing the provision of the Dodd-Frank Act that requires U.S. public companies to disclose the ratio of their CEO's compensation to that of their median employee. The final rule is generally consistent with the SEC's [original proposal](#) that was issued in 2013, but contains a few accommodations, which are intended to help mitigate compliance costs. This memorandum summarizes the key aspects of the final rule, highlighting the principal revisions. The final rule will become effective 60 days following publication in the *Federal Register*.

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.

Beverly Fanger Chase

+1 212 450 4383
beverly.chase@davispolk.com

Ning Chiu

+1 212 450 4908
ning.chiu@davispolk.com

Jeffrey P. Crandall

+1 212 450 4880
jeffrey.crandall@davispolk.com

Edmond T. FitzGerald

+1 212 450 4644
edmond.fitzgerald@davispolk.com

Joseph A. Hall

+1 212 450 4565
joseph.hall@davispolk.com

Kyoko Takahashi Lin

+1 212 450 4706
kyoko.lin@davispolk.com

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