

## Predictions on Possible Changes to and Timing of the Dodd-Frank Executive Compensation Provisions

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With President-elect Donald Trump's transition underway, speculation has been rife as to the impact of his Administration and a Republican-controlled Congress on a variety of issues, including executive compensation. While one might assume that all of the recent executive compensation rules mandated by the Dodd-Frank Act, such as the pay ratio disclosure rule, are headed out the window, the fate of those rules will depend on two key variables:

- The first is the timing of the rules' effective and compliance dates as compared to the timing feasibility of the potential rollback vehicles, such as the Financial CHOICE Act, introduced by the chairman of the House Financial Services Committee earlier this year.
- The second variable consists of the views of the Trump Administration, its new SEC Commissioners and others about the policy goals and content of the rules, including the level of emphasis that they choose to give to executive compensation as a strategic matter.

This memorandum predicts the fate of proposed and final executive compensation rules, recognizing that predictions are just that and that it is particularly difficult to make them in view of the relatively unconventional way in which the Trump transition team has operated thus far. We also explain the different potential vehicles for regulatory rollback and illustrate hypothetical timetables for each executive compensation rule, showing key compliance dates and the potential timing for any repeal or amendment of the relevant rule.

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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