

Chairman White Speaks on Political Spending and Cybersecurity Disclosure

May 20, 2013 | Client Update | 2-minute read

According to several news outlets, Chairman White declared during her testimony before the House Financial Services Committee on Thursday that “no one is working on a proposed rule,” in response to questions about whether the SEC will require companies to disclose political contributions. The Chairman indicated that the SEC’s review of the rulemaking petition soliciting this disclosure is “not completed.”

The Washington Post [reports](#) that House Republicans were disturbed to learn that the SEC is considering such a petition, believing the initiative to be “highly partisan” in light of the controversy surrounding the IRS’ examination of certain groups. Representative Scott Garrett of New Jersey pressed Chairman White to commit that the SEC will not be “bullied by these outside radical groups.” However, Chairman White declined to take a position. The petition has gained more than 500,000 comments, largely in support, much of which are signed form letters.

Chairman White has also responded to an April [letter](#) from Senate Commerce Committee Chairman Jay Rockefeller about cybersecurity disclosure. Senator Rockefeller previously asked the SEC to elevate its existing SEC staff guidance on disclosure obligations regarding cybersecurity risks and incidents to a Commission level. In his view, the disclosures remain insufficient for investors to determine the costs and benefits of companies’ cybersecurity practices.

Chairman White’s [letter](#) stated that after undertaking a review of compliance with its guidance beginning in 2012, the SEC staff has issued comments to about 50 public companies. The staff is evaluating the impact of the guidance and Chairman White has asked them to provide her with a briefing on the current disclosure practices, compliance and any recommendations for future actions.

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

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.