

# SEC Rulemaking Agenda Focuses on Statutory Requirements, Removes Political Spending

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The SEC's elimination of political contributions from its rulemaking [agenda](#) for 2014 has sparked an outcry, including strongly worded outrage from some members of Congress and an op-ed piece from the *NYTimes* criticizing the SEC for "keeping shareholders in the dark." The Commission provides an expected list of proposed and final rules for the upcoming year in a report to the White House's Office of Management and Budget.

A record over 600,000 comments, many using form letters, have been sent in to support the rulemaking petition on corporate political spending filed by Professors Lucian Bebchuck and Robert Jackson. According to news reports, the possibility of a rule proposal was added to the rulemaking agenda last year by former chair Mary Schapiro at the request of SEC Commissioner Luis Aguilar. Prior to then, few ever paid much attention to the OMB list, and many continue to believe that it exists merely to fulfill an administrative requirement as it is nonbinding and the SEC is free to undertake different or additional rulemaking.

As it stands, the agenda lists 16 items under the proposed rule stage, including several JOBS Act initiatives as well as clawback, pay for performance and hedging disclosures (in that order) as mandated under the Dodd-Frank Act. Final rules are expected on 23 topics with the pay ratio disclosure in this category but also the long-awaited reporting of investor proxy votes on executive compensation matters. Another notable absence is a revised rule on resource extraction.

One consequence of this removal, with somewhat fortuitous timing as it occurred before many companies' deadlines, is the likelihood of an increased number of shareholder proposals focused on political spending and lobbying this season.

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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