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Business Groups Form Governance Coalition to Combat Activism and Volume of Regulation

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A number of business groups sent a **letter** to Chair White announcing the formation of the Corporate Governance Coalition for Investor Value (the Coalition). The group includes the American Bankers Association, the U.S. Chamber of Commerce, SIFMA, the National Association of Manufacturers and ten others.

The Coalition emphasizes the importance of strong corporate governance in driving shareholder value, and notes that communication and engagement between their member companies and their shareholders are “at an all-time high.” However, companies have seen an increase in “special-interest activism of all types.” The Coalition believes that this activism has led to campaigns that are unrelated to increasing long-term shareholder interest, while at the same time diminishing the role of boards of directors in their oversight. In addition, the number of new regulations are forcing members to adapt in the middle of “shifting priorities among regulators on how to shape corporate governance, compliance and disclosure.”

The three-part mission of the Coalition is to: (a) ensure long-term value creation continues to drive decision-making; (b) foster a constructive environment for discussions among companies, shareholders and other stakeholders and (c) assist policy makers in developing “balanced, thoughtful” laws and regulations impacting corporate governance.

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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