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Financial Regulatory Reform: Dodd-Frank and Beyond

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To learn more about the proposed regulation regarding corporate governance please visit the following links.

Corporate Governance Proposed Regulations Summaries and Links

Governmental Agency Rulemaking

Reporting of Proxy Votes on Executive Compensation and Other Matters
Agency designated: Securities and Exchange Commission
Text of Proposed Rule

Summary: The Securities and Exchange Commission is proposing rule and form amendments under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 that, if adopted, would require an institutional investment manager that is subject to Section 13(f) of the Securities Exchange Act to report annually how it voted proxies relating to executive compensation matters as required by Section 14A of the Securities Exchange Act, which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Shareholder Approval of Executive Compensation and Golden Parachute Compensation
Agency designated: Securities and Exchange Commission
Text of Proposed Rule

Summary: This so-called "say-on-pay" provision requires companies to hold a separate shareholder vote relating to executive compensation and "golden parachute" compensation arrangements. The votes would be advisory only and would not be determinative of the compensation arrangements reached by the executives and compensation board.

Facilitating Shareholder Director Nominations
Agency designated: Securities and Exchange Commission
Text of Proposed Rule

Summary: The SEC adopted these rules, which change the federal proxy rules, in an effort to increase the effective exercise of shareholders' State law rights to nominate and elect directors to company boards of directors. The SEC believes that these rules will benefit shareholders by improving corporate suffrage, the disclosure provided in connection with corporate proxy solicitations, and communication between shareholders in the proxy process. The rule only applies where it does not come into conflict with State law or the corporation's governing documents, but companies may not opt-out of the rule if neither State law nor the corporation's governing documents forbid such action.

Implementation of Whistleblower Provisions of the Securities Exchange Act of 1934
Agency designated: Securities and Exchange Commission
Text of Proposed Rule

Summary: Dodd-Frank establishes a whistleblower program that requires the SEC to pay an award, under regulations prescribed by the SEC and subject to certain limitations, to eligible whistleblowers who voluntarily provide original information about a violation of the Federal securities laws that leads to the successful enforcement action.

Non Governmental Sources on Rulemaking

Cravath, Swaine, and Moore LLP

Chadbourne & Parke LLP

Covington & Burling LLP

Dewey & LeBoeuf LLP

KPMG

Milbank, Tweed, Hadley, and McCloy LLP

Orrick, Herrington & Sutcliffe LLP