

Press Release

SEC Proposes Rule Amendments to Proxy Rules Governing Proxy Voting Advice

Proposed Rules Would Address Concerns by Investors and Others that the Current Rules May Impede and Impair the Timeliness and Independence of Proxy Voting Advice

FOR IMMEDIATE RELEASE

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Washington D.C., Nov. 17, 2021 — The Securities and Exchange Commission today voted to propose amendments to its rules governing proxy voting advice. The proposed amendments aim to address concerns expressed by investors and others that the current rules may impede and impair the timeliness and independence of proxy voting advice and subject proxy voting advice businesses to undue litigation risks and compliance costs.

"Proxy advice voting businesses play an important role in the proxy process. Their clients deserve to receive independent proxy voting advice in a timely manner," said Chair Gary Gensler. "I am pleased to release these proposals to the public and encourage the public to share their feedback at sec.gov."

The proposed amendments would rescind two rules applicable to proxy voting advice businesses that the Commission adopted in 2020. Specifically, the Commission is proposing to rescind conditions to the availability of two exemptions from the proxy rules' informational and filing requirements on which proxy voting advice businesses often rely. Those conditions require that: (1) registrants that are the subject of proxy voting advice have such advice made available to them in a timely manner, and (2) clients of proxy voting advice businesses are provided with a means of becoming aware of any written responses by registrants to proxy voting advice. Investors and others have expressed concerns that these conditions will impose increased compliance costs on proxy voting advice businesses and impair the independence and timeliness of their proxy voting advice.

The proposed amendments also would rescind the 2020 changes made to the proxy rules' liability provision. Although the changes were intended to make clear that proxy voting advice is subject to liability under the proxy rules, investors and others have expressed concerns that the 2020 changes have created confusion, increased proxy voting advice businesses' litigation risks, and potentially impair the independence and quality of the proxy voting advice.

The proposal will have a 30-day public comment period following its publication in the Federal Register.

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Related Materials

- [Proposed Rule](#)
- [Fact Sheet](#)

