

## Announcement

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# Announcement Regarding Rule 14a-8 No-Action Requests

After the recent proxy and shareholder proposal season, the Division considered whether additional guidance or changes to its process of administering Exchange Act Rule 14a-8 were warranted. As a result of that consideration, the staff focused on how it could most efficiently and effectively provide guidance where appropriate.

The staff will continue to actively monitor correspondence and provide informal guidance to companies and proponents as appropriate. In cases where a company seeks to exclude a proposal, the staff will inform the proponent and the company of its position, which may be that the staff concurs, disagrees or declines to state a view, with respect to the company's asserted basis for exclusion. Starting with the 2019-2020 shareholder proposal season, however, the staff may respond orally instead of in writing to some no-action requests. The staff intends to issue a response letter where it believes doing so would provide value, such as more broadly applicable guidance about complying with Rule 14a-8.

The staff continues to believe, as noted in *Staff Legal Bulletin 14I* and *Staff Legal Bulletin 14J*, that when a company seeks to exclude a shareholder proposal from its proxy materials under paragraphs (i)(5) or (i)(7) of Rule 14a-8, an analysis by its board of directors is often useful.

If the staff declines to state a view on any particular request, the interested parties should not interpret that position as indicating that the proposal must be included. In such circumstances, the staff is not taking a position on the merits of the arguments made, and the company may have a valid legal basis to exclude the proposal under Rule 14a-8. And, as has always been the case, the parties may seek formal, binding adjudication on the merits of the issue in court.