

Executive Compensation Disclosures Are Back on the (Round)table at the SEC

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The SEC [announced](#) on May 16 that it will host a roundtable discussion with representatives from public companies, compensation consultants, lawyers, investors, and other stakeholders on the topic of executive compensation programs and the related disclosures required in public company proxy statements. The roundtable will take place on June 26 at the SEC's headquarters. If you are interested, you can register in advance to attend in-person, or you can watch the roundtable virtually. The virtual link will be available on June 26 at www.sec.gov, and the SEC intends to make a recording available at a later date. The agenda and panelists for the roundtable were announced on June 11 and are described in more detail [here](#).

The SEC initially implemented tabular executive compensation disclosure requirements in 1992, intending to provide investors with an easy-to-understand way to measure compensation paid to executives against issuer performance and peer company practices. These disclosures were substantially revised in 2006, with significant additions in the intervening years, most notably pursuant to Congressional mandates introduced under the Dodd-Frank Act of 2010. The SEC is now exploring whether the complexity and extensive nature of the current disclosure requirements is providing investors with enough bang for the buck, given the cost to companies to produce these disclosures.

As a prompt for the roundtable, the SEC has provided nine questions for comment, which center on the following themes:

- (i) How executive compensation packages are developed and what adjustments can be made to current disclosure requirements to better explain this process.
- (ii) Whether the disclosure requirements adopted in the last 20 years are effective in communicating material information to investors and if changes are necessary for clarity and cost-efficiency.
- (iii) Assessing concerns regarding the disclosure requirements related to executive perquisites, pay-versus-performance and clawbacks.

Do you think the current executive compensation disclosure framework continues to be effective? Do you have a wish list for what you'd like to see changed? Members of the public may submit comments to the SEC by following the instructions [here](#). Stay tuned for a more detailed blog post following the roundtable on this timely topic.

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