Articles + Publications | July 7, 2025

SEC Conducts Roundtable on Executive Compensation Disclosure Practices

WRITTEN BY

Sheri P. Adler | Jina Davidovich

As previewed in our previous blog post, the Securities and Exchange Commission (SEC) hosted a roundtable on executive compensation disclosure on June 26, with panelists considering whether and to what extent the current executive compensation disclosure requirements for public companies should be reformed.

SEC Chairman Paul S. Atkins opened the roundtable by describing the current disclosure regime as a "Frankenstein patchwork of rules." He set the stage for the roundtable as a first step in assessing whether the current rules achieve the SEC's three-part mission of: (1) investor protection, (2) fair, orderly, and efficient markets, and (3) capital formation. Next, Commissioner Hester M. Peirce observed that the current rules have created a disclosure regime focused on complex details (the trees), detracting from the broader picture (the forest); Commissioner Mark T. Uyeda questioned whether certain SEC disclosure rules were implemented to "name and shame" executives in order to curb executive compensation; and in a written statement, Commissioner Caroline A. Crenshaw encouraged dialogue on current compensation trends, what disclosures are material to investors, and costs incurred by public companies and investors alike in presenting and utilizing the disclosures. Following introductory remarks, participants across three panels — including public company representatives, institutional investors, legal advisors, and compensation consultants — discussed the complexity of executive compensation disclosures, whether and how these disclosures are used by investors, whether the disclosures serve their original intent, and whether the cost and time necessary to prepare the disclosures are justified.

The first panel focused on the process surrounding executive pay decisions and how investors interpret and consider disclosure. Public company representatives emphasized the processes and challenges involved in designing executive incentives in an evolving landscape. Investors talked about the complexity of ascertaining certain compensation data from the disclosures, noting the need to piece together disclosures in order to analyze specific compensation items (such as the life cycle of a particular equity grant). Both sides acknowledged that simplification and clearer communication would benefit all stakeholders. One important theme that emerged and continued to thread its way through subsequent panels was a discussion of the materiality of certain information that is required to be disclosed; are disclosure requirements appropriate if the information is only considered important by a select number of investors?

In the second and third panels, attention turned to the evolution of disclosure rules implemented over the past two decades, including those arising from the Dodd-Frank Act of 2010, and the ways such rules have (or have not) benefitted investors and burdened public companies. Many panelists expressed their view that current SEC rules

on certain aspects of the Summary Compensation Table, CEO pay ratio, disclosure of perks, and pay-versus-performance could benefit from recalibration. There was a call by certain panelists, particularly those representing public companies, for a return to “materiality” as the central disclosure standard and concern that the current regime results in the over-disclosure of salacious information that is not material to a party making an investment decision regarding a company. Investor representatives, however, cautioned against a wholesale rollback of disclosures that have increased transparency and accountability following lessons learned from past financial crises.

In case you missed it, you can access recordings of the roundtable here. At the same link, you can review comment letters that the SEC has received to date on this topic and submit your own views for the SEC’s consideration. The SEC has encouraged interested parties to submit comment letters as soon as possible.

RELATED INDUSTRIES + PRACTICES

- Employee Benefits + Executive Compensation