

SEC OPEN MEETING

OVERVIEW

For questions on the note below, please contact [Kwon Park](#) at (202) 547-3035.

Today, the SEC held an open meeting to consider whether to issue a concept release seeking comment on modernizing certain business and financial disclosure requirements in Regulation S-K, and to adopt rules regarding the business conduct standards for security-based swap dealers (SBSDs) and major security-based swap participants (MSBSP) (collectively, SBS Entities).

Please click [here](#) for the agenda.

Key Takeaways

- The Commissioners voted unanimously (3 – 0) to approve the concept release seeking comments on modernizing certain business and financial disclosure requirements in Regulation S-K.
- With regard to the concept release, Commissioner Stein asked the Commission to reassess the type of information that is useful for investors today such as social issues, sustainability, and diversity and inclusion measures of companies.
- In contrast, Commissioner Piwowar stated that disclosure should be based on a “materiality” standard that is universally agreed upon to be objective using a reasonable investor standard. He stressed that corporate disclosures should not be subjective and politically driven.

SUMMARY

Regulation S-K

[Chair Mary Jo White](#)

- Optimizing Regulation S-K is crucial for the Commission and its staff moving forward. The Commission has formed a working group to address Regulation S-K.
- The concept release
 - Considers business and financial disclosures in periodic reports, and corporate compensation and governance information required in proxy statements;
 - Establishes a more accessible framework for interested parties to understand information; and
 - Contemplates information that should be modified, eliminated, and added to, for the most efficient and effective means to disclosing required information.

[Commissioner Kara Stein](#)

- The Commission must acknowledge that investors have fundamentally different views on what information is important to them and should take this opportunity to better understand what information is useful (i.e. social issues, sustainability, and diversity and inclusion measures).

- The Commission should consider how information is distributed in a digital world and how to re-envision the EDGAR system.

Commissioner Michael Piwowar

- Disclosure should be based on a “materiality” standard that is universally agreed upon to be objective using a reasonable investor standard. Disclosure of information should not be subjective and politically driven.