SEC drops corporate political spending disclosure from 2014 agenda

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**JOBS Act and Dodd-Frank rules dominate 2014 regulatory picture**

The SEC has dropped from its agenda for 2014 the creation of a rule that would oblige companies to disclose political spending.

The US regulator, which introduced the idea of mandatory political disclosure in its agenda for 2013, published a year ago, eliminated the item this year without comment. The previous agenda suggested the regulator might propose a new rule on company political spending disclosure this year, but it has not done so.

Consideration of obligatory political spending disclosure by companies prompted a sweeping reaction last year, with more than 600,000 comments, mostly in favor, and vocal opposition by the US Chamber of Commerce and other business groups, which say such a rule would stymie the political voice of corporations.

At a hearing in Congress in May this year, SEC chairman Mary Jo White faced fierce opposition, with several senators saying such a disclosure rule would be used to pressure companies. She said that, at the time, no SEC staff members were actively working on the rule.

The SEC’s 2014 agenda includes proposed rules relating to compensation clawbacks, pay for performance, disclosure of hedging by employees and executives, the sale of securities via crowdfunding, and more. It also contains several items related to Dodd-Frank and the JOBS Act.

‘The agenda now includes only overdue rules that the SEC is required to develop under Dodd-Frank and the JOBS Act,’ notes Lucian Bebchuk, a Harvard University law professor who has persistently petitioned the SEC to require corporate political spending disclosure, in a blog post on the Harvard Law School Forum on Corporate Governance and Financial Regulation. Bebchuk was among 10 professors who submitted a petition to the SEC in 2011 requesting the disclosure rule.

‘While we are disappointed by the SEC’s decision to delay its consideration of rules requiring disclosure of corporate political spending, we hope the commission will consider such rules as soon as it is able to devote resources to rulemaking other than that required by Dodd-Frank and the JOBS Act,’ Bebchuk writes.