



April 10, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Statement on Reforming Regulation S-K (CLL-15)

The U.S. Chamber of Commerce (“Chamber”) appreciates the opportunity to comment on the Securities and Exchange Commission (“SEC” or “Commission”) request for public comment on Reforming Regulation S-K further to Chairman Atkins’s statement of January 13, 2026.

As the Chamber’s earlier letter to the Commission on this initiative noted¹, we have for many years been focused on rationalizing and calibrating the level of corporate disclosure investors receive. At its core, we are motivated by a desire to ensure investors have access to material, essential, decision-useful information. In turn, SEC registrants will not need to expend resources producing information that is not material to investors, which we believe will help make the public company model a more attractive option both for existing public companies and for privately-held companies considering an IPO.

Instead, in recent years many new SEC standards have resulted in a proliferation of prescriptive requirements, rather than principles-based requirements grounded in materiality. In addition, a number of these requirements are focused on social or political matters that are outside the Commission’s statutory mandate and institutional expertise. Still others seem focused primarily on altering corporate behavior in service of political aims or policy objectives foreign to the federal securities laws. Some recent rulemakings have even sought to redefine materiality away from the Supreme Court’s definition and the Commission’s own historical interpretation of the term.

The Commission’s cyber and climate mandates in Regulation S-K exemplify this drift away from traditional securities disclosure requirements towards prescriptive disclosures that often are not tied to issuer-specific, decision-useful information. These requirements expand disclosure volume, increase compliance costs, and heighten litigation risk without delivering commensurate investor value, and should be rescinded in favor of a principles-based, materiality-focused disclosure regime.

¹ <https://www.sec.gov/comments/cll-15/ctl15-702507-2207294.pdf>

The SEC’s disclosure repository has grown, in the words of Chairman Atkins, from “the size of a gym locker to the size of an artificial intelligence data center.”² The burdens associated with this system have ballooned to the point where some companies decide the costs of SEC reporting are a reason to stay private instead of entering the public markets³; the United States now has roughly half the number of public companies as it did in the 1990s. This steep decline has major negative implications for economic growth and investor opportunity.⁴

Though the Commission’s 2016 disclosure modernization initiative produced some notable reforms, much of Regulation S-K has not been revisited in decades. We commend the Commission for undertaking this retrospective review of Regulation S-K, and encourage the SEC to institutionalize this practice throughout its regulations. Many items under Regulation S-K no longer call for the type of information that a reasonable investor would today consider important in making an investment or voting decision.

The Materiality Standard

Since the securities laws were first enacted, materiality has been the standard to determine what information public companies must disclose to investors. In the 1976 *TSC Industries, Inc. vs. Northway, Inc.* decision⁵, the Supreme Court established a meaningful standard of materiality that was designed to provide investors with the significant information they need to make informed voting and investing decisions.

Importantly, the Court noted that the “disclosure policy” under the federal securities laws “is not without limit” because investors should be safeguarded from being overwhelmed with information that runs counter to the goal of better investor decision making.

The Court operationalized this principle in its decision – subsequently affirmed by the Court in *Basic, Inc. vs. Levinson* – by rejecting⁶ the notion that information is material if it “might” be important to an investor in favor of the following test: information is material for purposes of federal securities regulation if “there is a substantial likelihood that a reasonable shareholder would consider it important in deciding how to vote” or invest.

Writing for a unanimous Court in *TSC Industries*, Justice Thurgood Marshall famously expressed concern that absent a defined materiality standard, investors could be buried “in an avalanche of trivial information – a result that is hardly conducive to informed decision

² Statement on Reforming Regulation S-K. Chairman Paul Atkins (Jan. 13, 2026) [SEC.gov | Statement on Reforming Regulation S-K](#)

³ See e.g. The Declining Number of Public Companies and Mandatory Reporting Requirements. EY, prepared for the American Council for Capital Formation. The report found there were at least 800 fewer U.S. public companies at the end of 2019 because of mandatory reporting requirements. (June 2022) <https://accf.org/wp-content/uploads/2022/06/EY-ACCF-The-declining-number-of-public-companies-and-mandatory-reporting-requirements-June-2022.pdf>

⁴ See e.g. Unlocking America’s Capital Markets: Fueling Economic Growth and Innovation. U.S. Chamber (June 2025) https://www.uschamber.com/assets/documents/20250587_CCMC-CPSummit-PublicCompanyReport_FINAL.pdf

⁵ 426 U.S. 438 (1976)

⁶ 485 U.S. 224 (1988)

making.” The materiality standard has served investors well for decades and has been a bedrock of corporate disclosure in the United States.

The Chamber has been a staunch advocate for the standard of materiality the Court formulated and supports a legislative effort that would codify the standard expressed by the Supreme Court, and prohibit the SEC from mandating disclosure requirements that are outside the scope of the securities laws or are intended to promote objectives that are at odds with the interests of the reasonable investor.

The Chamber’s 2017 report on materiality⁷ emphasized that the Supreme Court’s materiality standard helps shield investors from the harms of information overload and appropriately tethers federal securities regulation to the SEC’s and securities laws’ reason for existence. Traditionally, materiality has centered on information that is important for investors focused on understanding the financial and operating performance of companies as investors consider economic return.

The Chamber commends the SEC for re-focusing corporate disclosure upon materiality and for its initiative of this Reg S-K reform project. Chairman Atkins rightfully described the materiality standard as an “immutable objective standard” that should always be the “north star” of the SEC’s disclosure regime.⁸

With these core principles in mind, we recommend the following amendments to Regulation S-K, which we discuss in greater detail below:

Requirements that could be eliminated or modified

1. Use of non-GAAP financial measures - Item 10(e)

- *Recommendation: The “equal or greater prominence requirement” is unduly prescriptive and should be eliminated.*

The SEC should consider eliminating Item 10(e) altogether. It imposes requirements on non-GAAP financial measures in filings and earnings materials that are largely duplicative of Regulation G. At a minimum, the SEC should revise the “equal or greater prominence” requirement to avoid repetitive GAAP disclosures by limiting required GAAP presentation to the first instance of a non-GAAP measure in a document and eliminating requirements that GAAP measures appear first and in close proximity throughout. The Commission should also consider exempting from the requirements of Item 10(e) earnings materials and non-GAAP metrics

⁷ http://www.centerforcapitalmarkets.com/wp-content/uploads/2013/08/U.S.-Chamber-Essential-Information_Materiality-Report-W_FINAL.pdf?x48633

⁸ Prepared Remarks Before SEC Speaks. Chairman Paul Atkins (March 19, 2026) <https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-sec-speaks-031926-prepared-remarks-sec-speaks>

included in executive officer quotes. Eliminating Item 10(e) or, at a minimum, making targeted changes in this respect would reduce unnecessary compliance burdens and repetition while allowing companies to present important information to investors more clearly and effectively.

2. Market and stock information - Item 201 Description of a registrant's securities - Item 202

- *Recommendation: Certain requirements under Item 201 and Item 202 of Reg S-K were adopted before information regarding a company's stock or performance were widely available on the internet. Several of these requirements could be eliminated.*

The SEC should consider rescinding Items 201(a), (b), (c), (d), and (e). These items require that issuers disclose matters such as market price information, holder counts, and stock performance graphs—all information that is already widely available via the internet or real-time platforms used by investors. Additionally, the holder count requirement regarding common equity (Item 201(b)) is not relevant in many cases when most shares are held in street name through DTC or otherwise by nominees in a fiduciary capacity.

The Item 202 (description of a registrant's securities) requirement could also be removed or amended as much of the information is duplicative of information already available in the notes to the financial statements and also under Item 601(b)(4)(vi) in the exhibits. Additionally, the SEC should consider removing or limiting to equity instruments the description of securities requirements under Item 601(b)(4)(vi).

3. Market Risk Disclosures - Item 305

- *Recommendation: The SEC should consider a more principles-based requirement for market risk information.*

The SEC could provide registrants with greater flexibility in responding to the quantitative disclosure requirements, such as that registrants may utilize an alternative quantitative market risk disclosure method (beyond the three enumerated methods) or permitting registrants to make changes in disclosing from what is prescribed under the three enumerated methods, in each case to facilitate the registrant's provision of material information to investors.

4. Property Disclosures – Item 102

- *Recommendation: A more principles-based requirement would be appropriate; alternatively, the SEC could fold this requirement into Item 101(c)(1)(iii) to discuss "resources material to a registrant's business."*

Since Item 102's original adoption in 1982, the U.S. economy has undergone significant changes, and use of real property is of much lower significance to many businesses today relative to over 40 years ago. Whether the company headquarters is owned or leased, for example, may not be relevant to all investors.

Outside of companies in the real estate sector, Item 102 as a standalone requirement is often not material for many companies or decision-useful for investors, particularly given the asset profile of many of today's public companies, and therefore can be integrated into the overall business description.

5. Legal Proceedings – Item 103

- *Recommendation: Apply the materiality standard to require disclosure only of material proceedings that have been filed or commenced. Issuers should also be permitted to discuss legal proceedings on an aggregate basis.*

Item 103 can lead to overly prescriptive disclosures about several legal proceedings that are similar in nature. Item 103(c)(3)(iii) creates a presumption of materiality for certain environmental proceedings involving monetary sanctions in excess of \$300,000, or for some companies electing a higher threshold, up to \$1 million. These amounts are not material to most public companies, and are unnecessary in light of Item 103(c)(3)(i), which requires disclosure if the proceeding is material to the business or financial condition of the registrant.

The Chamber generally disfavors arbitrary, prescriptive, one-size-fits-all thresholds for materiality, particularly in the case of specific dollar amounts. We recommend deletion of Item 103(c)(3)(iii). Further, the vague "known to be contemplated" standard in Item 103(a) for disclosure results in hindsight securities law claims and premature disclosure of governmental investigations that may not ever progress or may be settled for immaterial amounts, and we recommend the deletion of that provision.

6. Item 303(c) – Interim MD&A Requirements

- *Recommendation: Consideration should be given to eliminating year-to-date reporting requirements and instead allow for materiality assessments of interim periods. This change would increase the efficiency and usefulness of reporting.*

7. Human Capital Disclosures – Item 101(c)(2)(ii)

- *Recommendation: The SEC should eliminate this line item or, at a minimum, limit it to a principles-based discussion of the material aspects of the company's human capital, without suggesting that any particular metric or objective is material.*

The existing requirement states that companies must disclose human capital measures that the registrant focuses on in managing the business. This is an extremely vague approach

that is unworkable in practice for many issuers and leads to information disclosed that is not of any usefulness for investors. The existing materiality qualifier does not provide adequate direction given that the requirement also enumerates several types of measures or objectives that are expected to be disclosed.

8. Critical Accounting Estimates – Item 303(b)(2)

- *Recommendation: Consider incorporating this requirement into financial footnotes as accounting rules already require disclosure of estimates.*

9. Item 701 – Recent Sales of Unregistered Securities

- *Recommendation: This line item requirement is repetitive of other disclosures in Reg S-K and should be eliminated. For example, the introduction to Item 701 requires information about securities sold within the past 3 years, which is a very long look-back period when this information has already been disclosed elsewhere. Also, in Item 701(f), an issuer must disclose the use of proceeds on every periodic report until the application of all the proceeds, which makes little sense when the use of proceeds is for "general corporate purposes."*

10. Deposits – Item 1406

- *Recommendation: The SEC should consider eliminating Item 1406, which requires certain banks to disclose deposit composition, uninsured deposits, and maturities. These disclosures largely duplicate bank regulatory call reports and should be reconsidered.*

Related party transactions and governance disclosures

1. Related Party Transaction Threshold – Item 404

- *Recommendation: The SEC should, at a minimum, substantially raise the existing \$120,000 disclosure threshold for related party transactions and consider a principles-based materiality standard for such disclosure.*

As noted above, the Chamber disfavors presumptive materiality thresholds, including those involving particular dollar amounts. Such thresholds are inherently arbitrary and, depending on the circumstances, can be underinclusive, overinclusive, or both. There is no economic data that supports the notion that a single dollar amount is material for all companies and all related persons.

Another example of a presumptive materiality standard that suffers from these defects is found in Item 404(a), which requires disclosure of certain transactions with related parties if the

amount involved exceeds \$120,000. Disclosure of related party transactions should only be required if material to both the registrant and the related person.

The scope of transactions covered by the provision, the dollar threshold which focuses on the value of a transaction and not on the value of a related person's interest in a transaction, and the standard that focuses on materiality of an interest to the related person instead of to shareholders, results in companies having to track, assess, and disclose many transactions that are not material to shareholders.

In addition, the overly broad definition of "immediate family member" (which includes in-laws) can be burdensome to apply and result in immaterial disclosures.

The SEC should also consider broadening the exception provided under Instruction 7 to Item 404(a) by adding an exception for any transaction undertaken in the ordinary course of business of the company and conducted on the same terms that the company offers generally in transactions with persons who are not related persons. This should exclude passive greater than 5% shareholders from the definition of "related person" and limit "immediate family members" to spouses, parents, siblings, and children and those persons (other than a tenant or employee) sharing the insider's household.

2. Governance Disclosures – Items 405, 407, 408

- *Recommendation: The SEC should eliminate several requirements under Items 405, 407, and 408 that seek to influence the corporate governance of issuers through disclosure, including requirements related to Section 16 filings (which are already posted on EDGAR) regarding compliance, board independence disclosure, nominating committee procedures, compensation committee disclosures, board oversight of risk, and insider trading arrangements and policies.*

3. Security Ownership – Item 403

- *Recommendation: The SEC should eliminate the tabular disclosure requirement under Item 403, which duplicates information already available through Section 13 and Section 16 filings.*

Risk Factors

Risk factor disclosures under Item 105 of Reg S-K are a prime example of how "information overload" obscures the most salient information about an issuer for investors. These disclosures have become incredibly long and dense but also have come to serve a necessary function because of litigation risk, which has grown exponentially in recent decades.

In fact, despite recent efforts by the SEC to simplify risk factor disclosure, risk factor disclosure for companies actually *increased* in volume.⁹

Instead of serving as a shield against claims under the Private Securities Litigation Reform Act (PSLRA) and “bespeaks caution” doctrine, risk factors may also be seen as a source of potential liability. The Commission has the power to curb this litigation risk through creation of a safe harbor.

The Chamber agrees with Chairman Atkins' recent suggestion that the Commission adopt a liability safe harbor for generic events that would reasonably affect most companies.¹⁰ A significant portion of the risk factors and disclosures made in today's securities-related regulatory filings are boilerplate designed to limit liability for generic events that would be expected to impact any company and do not provide any genuine material information about the risks uniquely faced by the company.

An appropriately crafted safe harbor designed to protect issuers and filers from liability and activist lawsuits for non-disclosure of generic events that would normally be expected to impact any issuer or filer would streamline the filing process, shorten regulatory filings, and assist investors in focusing on genuine material disclosures. Specifically, a safe harbor should clarify that 1) risk factor disclosure is forward-looking and should not be deemed to constitute an express or implied assertion concerning any current or past fact; and 2) that any examples provided are illustrative only and should not be viewed as a complete listing of every instance where the risk has or could materialize.

Such a safe harbor would still result in companies providing meaningful material information specific to the company rather than generic boilerplate that does nothing beyond increasing the length of filings.

Cybersecurity

1. Cybersecurity Risk Management and Governance – Item 106

- *Recommendation: The SEC should eliminate prescriptive mandates under Item 106 that require disclosure regarding specific processes and responsible individuals. These requirements should be rescinded in favor of a principles-based disclosure regime consistent with the approach applied to other risk disclosures.*

The Chamber was skeptical of the need for a specific cybersecurity disclosure requirement at the time Item 106 was proposed, and with two years of reporting under these requirements completed, we believe many of our original concerns have been proved out.

⁹ <https://corpgov.law.harvard.edu/2021/12/22/sec-risk-factor-disclosure-rules/>

¹⁰ Remarks at the Texas A&M School of Law Corporate Law Symposium. Chairman Paul Atkins (Feb 17, 2026) <https://www.sec.gov/newsroom/speeches-statements/atkins-02-17-2026-remarks-texas-am-school-law-corporate-law-symposium>

Cybersecurity is but one of numerous risks that businesses must address in the ordinary course, and highlighting cybersecurity risk puts undue emphasis on this risk above all others.

The SEC should eliminate Item 106 reporting in annual reports on Form 10-K and Form 20-F. For companies that face material cyber risks, disclosure would still be required under Items 101, 103, 105, 303, and 407 depending on the relevant facts and materiality of the circumstances. Relatedly, we encourage the SEC to eliminate the Form 8-K requirement under item 1.05 to report material cybersecurity incidents.

Complying with the four business-day Form 8-K disclosure deadline can compromise investigations, security remediation, and expose the company to increased litigation and regulatory risk. When a company responds to a cybersecurity incident, Item 1.05 distracts resources needed to work on remediation because instead those resources are devoted to managing the disclosure process and handling the fallout due to premature public disclosure of an attack.

There is also the risk that investors make decisions based upon incomplete information due to the four business-day deadline and that the full scope of the cybersecurity incident is not clear until sometime after the deadline passes.

In addition, the rule's national security and public safety exception provides almost no relief for companies managing cyber incidents. Requiring a company that is experiencing a material cyber event that has public safety and/or national security ramifications to request a short delay of the required disclosure is completely insufficient.

Dealing with all the various stakeholders implicated in a cyber incident (investors, employees, customers, consumers, media, business partners, service providers, etc.) is enormously time consuming, and diverts attention away from the more critical tasks of ensuring there are no backdoors, performing remediation activities, and assessing whether systems were damaged or data expropriated.

Through various public statements and publicly-available comment letters to issuers, the SEC's staff has itself struggled with the materiality of disclosures made under Item 1.05. The Commission's experiment with cybersecurity Form 8-K filings, though no doubt well-meant, has not improved the quality of investor disclosure on this topic and should be repealed. Companies that believe a cybersecurity event is material warranting immediate shareholder notification outside of the routine quarterly disclosure schedule can continue disclosure under Items 7.01 and 8.01 of Form 8-K, as well as through other channels more accessible to investors such as blogs, social media, and online.

The Chamber's comment letter on the proposed cyber rule in 2022 expressed our concern that, among other flaws, the SEC's cyber rule could empower bad actors by forcing

companies to prematurely disclose information about a cyber incident.¹¹ In 2023, the Chamber sent a letter to the SEC regarding the ambiguity surrounding implementation of the SEC’s cyber disclosure rule adopted that year.¹² We note that many of the questions raised in those letters remain unaddressed and issuers are still grappling with potential unintended consequences of the rule. We fully support the SEC reconsidering the 2023 cyber rule in light of these ongoing concerns.

Dodd-Frank Disclosure Mandates

Title XV of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) includes several extraneous disclosure mandates that were intended to address geopolitical or other issues of that era that fall outside the traditional scope of the federal securities laws. These issues include the conflict minerals rule (Section 1502), resource extraction rule (Section 1504), and the mine safety rule (Section 1503). While the SEC was required under Dodd-Frank to implement these disclosures, we wish to raise recommendations here that would address compliance challenges still faced by issuers.

1. Conflict Minerals Rule

Companies subject to conflict minerals reporting should be permitted to refrain from filing a report if they have reason to believe there has not been a change since their last report.

The Chamber continues to believe that the conflict minerals rule is an ill-advised effort to solve a geopolitical crisis and that it has done little to improve the environment in the Democratic Republic of the Congo (DRC). The D.C. Circuit vacated much of the SEC’s conflict minerals reporting regime over a decade ago.

As the Chamber previously wrote to the SEC, evidence suggests that the rule has even exacerbated the problems on the ground in the DRC.¹³ While we support full Congressional repeal of Section 1502, the SEC should explore all available tools to mitigate the compliance burden for U.S. businesses.

2. Mine Safety Rule

The SEC should consider removing this disclosure requirement from Reg S-K and creating a separate, targeted disclosure mechanism intended only for issuers for which the disclosure is relevant. In particular, given the applicability of this reporting regime to a relatively small number of public companies, there is no need to require disclosure in Form 10-Q or Form 10-K for the vast majority of companies outside the mining sector for whom the issue is irrelevant.

¹¹ <https://www.sec.gov/comments/s7-09-22/s70922-20128398-291304.pdf>

¹² https://www.uschamber.com/assets/documents/ccmc/230814_Comments_CybersecurityRiskManagement_SEC_Final-1-1.pdf

¹³ <https://www.sec.gov/comments/statement-013117/cll2-1648731-148501.pdf>

Exhibits

1. Material Contracts – D&O Contracts – Item 601(b)(10)(iii)

- *Recommendation: The SEC should remove the presumption that all management contracts or compensatory plans in which a director or NEO participates are “material” for purposes of exhibit filing.*

As noted above, the Chamber disfavors presumptive materiality standards. Thus, presuming all D&O contracts are material is problematic and has the potential to mislead investors when such contracts are in fact not material to the issuer or individual. Moreover, Form 8-K Item 5.02 requires a materiality analysis to determine whether a description of the terms and conditions of such contracts is required. The better disclosure practice would be to align this requirement under Item 601 with the 8-K requirement and adopt a principles-based approach towards determination of materiality and disclosure.

The SEC should also consider a “lookback” period (e.g., two years) for compensation plans and agreements so that registrants can remove agreements from the exhibit list that govern previously issued grants or are no longer open for enrollment.

2. Subsidiaries of the Registrant – Item 601(b)(21)

- *Recommendation: The SEC should either eliminate this requirement altogether or consider modifying its exceptions so that they are more manageable and useful to companies that have highly complex corporate structures.*

The current requirement is time-consuming for companies to prepare, can reveal sensitive competitive information about a company’s organizational planning, and a laundry list of subsidiary names provides little information of practical use to investors.

3. Additional Item 601 Items

The following Item 601 requirements could also be eliminated or substantially modified without limiting the availability of material information to investors:

- Item 601(b)(4)(vi) – Instruments Defining the Rights of Security Holders, Including Indentures (*could be limited to equity instruments only*)
- Item 601(b) (17)-(19) – Correspondence on Departure of Director / Letter Re Change in Accounting Principles / Insider Trading Policies and Procedures
- Item 601(b)(95) – Mine Safety Disclosure Exhibit
- Item 601(b)(97) – Policy Relating to Recovery of Erroneously Awarded Compensation
- Item 601 Exhibit 107 Filing Fee Exhibit

XBRL Tagging

The Chamber recommends that the SEC either substantially scale back or eliminate altogether XBRL tagging requirements. Current rules stipulate over 20,000 XBRL “standard” tags, which have become extremely burdensome for both the SEC staff and issuers alike. Enhancing comparability across issuers was the SEC’s original motivation for mandating XBRL tagging, but there can be no comparability with tens of thousands of XBRL tags to choose from. Further, XBRL tags are of little use to retail investors in everyday practice, and those institutional investors who may have in the past relied on XBRL tags are increasingly deploying generative AI or other proprietary methods to assimilate financial data across issuers.

Cover Page Checkboxes

The Chamber recommends that the SEC remove the current cover page checkboxes regarding errors in previously issued financial statements. Current cover page requirements require registrants to disclose, via checkboxes, whether financial statements correct an error and whether that correction triggers a clawback recovery analysis. In practice, these checkboxes can deter transparent and appropriate corrections, particularly where companies make routine, immaterial prior-period adjustments.

Requiring a prominent cover page disclosure for immaterial corrections offers little investor benefit while imposing unnecessary compliance costs and judgment calls. The requirements may also discourage voluntary, good-faith improvements to previously issued financial statements. The Commission should eliminate these checkboxes, or at a minimum clarify that they apply only to material corrections or consolidate them into a single checkbox tied solely to situations requiring a recovery analysis.

Executive Compensation Disclosure Requirements

The Chamber previously submitted to this comment file our recommendations in conjunction with the SEC’s 2025 roundtable on executive compensation disclosure requirements.¹⁴ The key recommendations from that letter, which we repeat here, include:

- The SEC should fundamentally reassess current requirements under Item 402 of Regulation S-K (including CD&A) and adopt any changes or simplification necessary to ensure investors receive clear and decision-useful information regarding executive compensation;
- The SEC should review current perquisite (“perk”) disclosure requirements and exempt from perk disclosure certain expenses, including expenses for personal security; and

¹⁴ <https://www.sec.gov/comments/4-855/4855-622607-1826714.pdf>

- The role and influence of proxy advisory firms should be considered as part of any discussion about corporate decisions and disclosure regarding executive pay;
- The number of named executive officers (NEOs) for which executive compensation disclosures are required should be reduced to include the chief executive officer (CEO), chief financial officer (CFO), and the one highest-paid employee. Disclosure of severance compensation of former NEOs should also be included in the CD&A rather than compensation tables, and the Item 403 requirement to disclose former NEOs in the beneficial ownership table should be eliminated;
- The SEC should also determine whether certain details required to be included in compensation tables under Item 402 are necessary or of use to investors. One example that stands out is the “grants of plan-based awards” table. Much of the information currently included in these tables can be found either in Section 16 filings or elsewhere in the proxy statement;
- Because change in pension value included in the summary compensation table (SCT) is based upon changes in interest rates (not realized compensation), the SEC should consider eliminating this component from the SCT;
- While the Chamber continues to support Congressional repeal of Section 953(b) of the 2010 Dodd-Frank Act (the “pay ratio” rule), the SEC should use its existing authority to address compliance challenges that businesses continue to face under the final pay ratio rule adopted by the SEC in 2015;
- The SEC should make changes to its 2022 rule implementing Section 953(a) of the Dodd-Frank Act (the “pay versus performance” rule) to adopt a more principles-based requirement;
- The SEC, along with the federal banking regulators, National Credit Union Administration, and the Federal Housing Finance Authority, should abandon an overly prescriptive 2016 proposal to implement Section 956 of the Dodd-Frank Act (“incentive compensation” rule) and reassess Section 956 implementation;
- The SEC’s rule implementing Section 954 of the Dodd-Frank Act (“clawback” rule) should be revisited so that the rule reflects clawback policies that companies have enacted since 2010; and
- The SEC should seek further tailoring of executive compensation disclosure requirements for small issuers, including smaller reporting companies (SRCs) and emerging growth companies (EGCs).

Conclusion

The Chamber appreciates the SEC's leadership on reforming S-K for the benefit of public companies and their shareholders. We look forward to working closely with the SEC on this initiative as it moves forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Flood", is centered on the page.

Mike Flood
Senior Vice President
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce