

MEMO# 31314

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SEC Announces Staff Roundtable on the Proxy Process

[31314]

August 6, 2018 TO: ICI Members

Investment Company Directors SUBJECTS: Closed-End Funds

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Transfer Agency RE: SEC Announces Staff Roundtable on the Proxy Process

In a July 30 statement, SEC Chairman Clayton announced a fall SEC staff roundtable on the proxy process.[\[1\]](#) The statement characterizes shareholder engagement as “a hallmark of our public capital markets” and the proxy process as “a fundamental component of that engagement.” The SEC last evaluated the proxy process comprehensively in its 2010 concept release on the subject.[\[2\]](#) The statement points to the “many changes in our markets, technology, and how companies operate since then” and explains that the roundtable will include participation from investors, issuers, and other market participants.

The details (date, agenda, and panelists) for this fall roundtable are to be determined. The announcement mentions the following potential topics, however:

- voting process (including accuracy, transparency, and efficiency in the proxy system);
- retail shareholder participation (including reasons for their relatively low participation rate);
- shareholder proposals (including the appropriateness of the current minimum ownership thresholds for submitting proposals);
- proxy advisory firms (including whether fund advisers and others rely on them more than they should);
- technology and innovation (including whether they can make the proxy process more efficient and effective); and
- the SEC’s 2016 universal proxy proposal.

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endnotes

[1] This statement is available at www.sec.gov/news/public-statement/statement-announcing-sec-staff-roundtable-proxy-process.

[2] *Concept Release on the U.S. Proxy System*, SEC Release No. 34-62495 (July 14, 2010), available at www.sec.gov/rules/concept/2010/34-62495.pdf.

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