

# Meridian Client Update

## SEC Delays Rulemaking Schedule for Certain Executive Compensation Disclosure Provisions Under Dodd-Frank Act

The Securities and Exchange Commission (SEC) has revised its rulemaking schedule for certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") related to executive compensation disclosures.

As we have been expecting, on Friday, July 29, the SEC announced that it delayed the planned adoption of final rules on certain Dodd-Frank Act proxy disclosure requirements from the previously announced August-December 2011 time period to the revised January-June 2012 time period. Specifically, those final rules include:

- Pay versus performance;
- CEO pay ratio;
- Hedging by employees and directors; and
- Mandatory recoupment (clawback) policy.

The SEC also plans to issue final rules jointly with other agencies related to incentive compensation at large financial institutions between January and June 2012.

The delay in rulemaking means that the foregoing disclosure requirements will **not** be effective until, at the earliest, some time toward the end of the first quarter of 2012. However, if the SEC delays the adoption of final rules to June of next year, it is possible that the disclosure requirements will not take effect until 2013.

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