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Meridian Client Update

SEC Pushes Back Deadline to Review Securities Exchanges' Proposed Change to Listing Standards on Mandatory Clawback Policy

The Securities and Exchange Commission has extended the review period on the NYSE/Nasdaq proposed amendment to their listing standards to require listed companies to adopt Dodd-Frank compliant mandatory clawback policies.

Despite the extension of the review period, companies should be aware that the deadline to adopt a Dodd-Frank compliant mandatory clawback policy could be as early as August 10, 2023.

The SEC extended the period for its review and approval of the NYSE/Nasdaq proposed amendments to their listing standards to require adoption of Dodd-Frank compliant mandatory clawback policies from April 27, 2023 to **June 11, 2023**.

The SEC extended the review period so that it has sufficient time to consider the proposed amendments and submitted public comments. At the end of this period, the SEC must approve, disapprove or institute proceedings to determine whether to disapprove the proposed rule. If the SEC approves the proposed amendments on June 11, 2023, listed companies would have until August 10, 2023 to adopt Dodd-Frank compliant mandatory clawback policies. However, the SEC could extend the compliance date to a later date, but is under no obligation to do so.

Given a potential late summer compliance date, we recommend that companies begin to review existing clawback policies and either amend those policies to comply with Dodd-Frank or adopt free-standing Dodd-Frank compliant mandatory clawback policies.

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