

## CLIENT ALERT

### Navigating Compensation Governance

## Incoming Chair Paul Atkins Seeks to Reorient SEC Focus

**SEC will focus on its core mission: protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.**

**SEC rulemaking will be guided by the need for clarity, pragmatism and restraint.**

In his prepared remarks before the Senate Banking Committee on March 27, 2025, the incoming Chair of the Securities and Exchange Commission, Paul Atkins, outlined his vision of focusing the agency on its core mission: protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation. Drawing on prior public and private sector experience – including his service as an SEC Commissioner and his leadership of a regulatory compliance consultancy – Atkins emphasized the need for regulatory clarity, pragmatism and restraint.

Key themes struck by Chair Atkins include:

- **Reaffirmation of the SEC's Foundational Mission.** Reiterating the agency's statutory objectives, Chair Atkins called for a "reset of priorities" to restore "common sense and effectiveness" in regulation, reinforcing that the SEC's primary function is to support well-functioning markets that foster economic opportunity and protect investors.
- **Emphasis on Practical, Investor-Focused Regulation.** SEC regulations must be "smart, effective, and appropriately tailored," with a focus on implementation that achieves intended outcomes without creating undue burdens. Chair Atkins acknowledged the gap that often exists between legal drafting and business application, underscoring the importance of translating complex regulatory requirements into actionable practices.
- **Investor Disclosures and Transparency Reform.** Current disclosure requirements overwhelm rather than inform investors. Chair Atkins expressed his intent to simplify disclosures to better serve investor understanding and decision-making, which may signal future reforms to corporate reporting obligations.
- **Commitment to Capital Formation and Market Competitiveness.** The current regulatory environment is overly complex, politicized and discouraging to investment. Chair Atkins pledged to advance policies that encourage innovation and capital access, particularly for U.S. businesses seeking to grow and compete globally.
- **Digital Asset Regulation as a Priority.** The development of a "firm regulatory foundation" for digital assets is a top Commission priority to remove the current regulatory uncertainty which has become a barrier to innovation.

- **Depoliticization of Securities Regulation.** SEC rulemaking and enforcement must be free from political influence, with the SEC’s work squarely on investor protection and market integrity, rather than on politically driven priorities.

Chair Atkins’ Congressional remarks signal a likely shift in regulatory tone and agenda – toward simplification, practical oversight and a market-friendly environment. We anticipate increased attention by the SEC to digital assets, potential reforms in disclosure practices and an overall emphasis on regulatory efficiency and economic growth. However, he has not signaled any immediate intention to change regulatory requirements directly impacting executive pay disclosures

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The **Client Update** is prepared by Meridian Compensation Partners’ Governance and Regulatory Team led by Donald Kalfen . Questions regarding this Client Update or executive compensation technical issues may be directed to Donald Kalfen at 847-235-3605 or [dkalfen@meridiancp.com](mailto:dkalfen@meridiancp.com).

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