



# Council of Institutional Investors®

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## Leading Investor Group Applauds SEC Rollback of Onerous Proxy Advice Rules

**Washington, D.C., July 13, 2022** — The [Council of Institutional Investors](https://www.cii.org) applauds the Securities and Exchange Commission's elimination today of onerous provisions in rules the Commission adopted in 2020 that could have harmed the independence, cost and timeliness of proxy voting advice. Institutional investors, the primary customers of proxy voting advisory firms, did not request or support the provisions.

The SEC's action today, however, does not address the foundational determination in the 2020 rules that proxy advice is a proxy solicitation under the federal securities laws. That continues to be a source of confusion and unnecessary costs for the Commission, investors, proxy advisors and other market participants.

Classifying proxy advice as solicitation potentially subjects proxy advisory firms to burdensome filing rules and challenges their independence and free speech rights in conducting the financial analysis that informs their proxy voting advice.

That is why in October 2020, CII filed a joint [amicus brief](#) supporting a suit brought by Institutional Shareholder Services (ISS), a leading proxy advisory firm, that challenges the assertion that proxy advice constitutes a solicitation. The brief was co-signed by the California Public Employees' Retirement System, the California State Controller, the California State Teachers' Retirement System, the CFA institute, the Colorado Public Employees' Retirement Association, the Comptroller of the City of New York, the CtW Investment Group (now SOC Investment Group) and the Los Angeles County Employees' Retirement Association.

Oral arguments in the case are scheduled for July 29 in U.S. District Court. We look forward to the court's resolution of that fundamental issue.

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**About CII:** *The Council of Institutional Investors (CII) is a nonprofit, nonpartisan association of U.S. asset owners, primarily pension funds, state and local entities charged with investing public assets, endowments*

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*and foundations, with combined global assets that exceed \$4 trillion. CII's associate members include non-U.S. asset owners with more than \$4 trillion in global assets, and a range of asset managers with more than \$40 trillion in global assets under management. CII is a leading voice for effective corporate governance, strong shareowner rights and sensible financial rules that foster fair, transparent and vibrant capital markets.*