CII Applauds Shareholder Protections in House Bill


"We are pleased that several investor protection provisions were included in today’s bipartisan bill" said CII Executive Director Ken Bertsch. "We are particularly supportive of two of the bills’ provisions, one affecting trading plans and the other providing more information about multi-class stock structures."

The first provision would require the SEC to consider certain types of amendments to Rule 10b5-1, consistent with CII’s policies and its related 2012 SEC rulemaking petition. CII believes the amendments would help ensure that corporate insiders could not indirectly engage in illegal insider trading through changes to their trading plans.

The second provision included in the bill, which CII supports, would require public companies with multi-class share structures to make certain disclosures in proxy or consent solicitation materials. Those disclosures would shed more light on certain shareholders’ voting power, which CII views as an important supplement to amending existing U.S. stock exchange listing standards to require meaningful, time-based sunsets for newly listed companies with those structures.

With the bill now headed to the Senate, CII is hopeful that the legislation will remain bipartisan and free of amendments that would threaten fundamental shareholder protections. In that regard, CII strongly opposes any amendments to the bill that would create an intrusive new federal regulatory scheme for proxy advisors, which would inhibit the ability of shareowners to obtain timely, cost-effective, and independent research to assist in voting their shares responsibly.

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