

Chairman of the SEC Shares Insights into the SEC's Upcoming Agenda

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On June 23, 2021, Chairman Gary Gensler of the SEC gave a formal speech in which he discussed three key areas of the reform agenda at the SEC.¹ In this speech, Chairman Gensler offered his views of the areas in which the SEC will focus over the upcoming 12 months as well as longer term issues the SEC will likely address. Chairman Gensler is newly appointed by the Biden administration and has shown that his agenda is ambitious. The purpose of this Viewpoint will be solely informative and a recast of Chairman Gensler's comments.

Three Areas of SEC Focus

1. Public Disclosure

- There will be mandatory disclosures of climate risk and human capital
- SEC staff will focus on recommendations around governance, strategy, and risk management related to climate risk
- SEC staff will also propose recommendations on improved human capital disclosure and could include required disclosures on metrics such as workforce turnover, skills and development training, compensation and benefits, workforce demographics including diversity, and health and safety

2. Market Structure

- Staff have been requested to determine whether greater transparency and resiliency can be brought to U.S. equities and Treasury markets in light of new business models and technologies
- The SEC desires to promote more efficient markets

3. Transparency

- SEC staff have been requested to update rules regarding transparency in the marketplace, including updates to rules surrounding beneficial ownership, equity-based swaps, and short selling
- SEC staff have also been asked to consider new rules enhancing transparency around companies buying back their own stock

General questions about this Viewpoint can be directed to John Ellerman at john.ellerman@paygovernance.com.

¹ Gary Gensler. Prepared remarks at London City Week. June 23, 2021. <https://www.sec.gov/news/speech/gensler-speech-london-city-week-062321>.

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