

Transparency and Engagement

BY TED ALLEN, JD

In September, a record number of members (more than 60 people from 23 states) traveled to Washington, D.C. for NIRI's third annual Leadership Week event.

NIRI took members to 23 U.S. House and Senate offices to share the views of IR professionals on modernizing the equity ownership disclosure (Form 13F and 13D) rules and improving short-position transparency.

Among the Capitol Hill visits was a meeting with U.S. Senator Tammy Baldwin (D-WI) in her private office. She is the author of the bipartisan "Brokaw Act," which would update the 13D rules for activist hedge funds that accumulate more than a 5 percent stake in a public company. NIRI supports the Brokaw Act, which would cut the disclosure period from 10 to four days and would address the use of derivatives to conceal ownership. NIRI is working with Senator Baldwin to build grassroots support and encourages NIRI chapters and individual companies to contact lawmakers and express support for this bill.

NIRI hosted a regulatory briefing with Commissioner Elad Roisman of the Securities and Exchange Commission (SEC) and heard his views on proxy advisors and proxy system reforms. NIRI's delegation also met with senior SEC staffers and discussed proxy system reforms, ESG disclosure, relief for smaller issuers, and the impact of MiFID II.

"It is a powerful experience seeing and hearing NIRI members share their stories," NIRI President and CEO Gary LaBranche after Leadership Week. "It is always the stories that capture the attention of lawmakers and regulators."

NIRI is grateful to the member volunteers – David Dragics of NIRI Capital Area, Randall Hopkins of NIRI Seattle, and NIRI Fellow (and former Board member) Sally Curley – who led their colleagues around Capitol Hill and testified on behalf of the IR community during NIRI's visit to the SEC.

New Guidance on Proxy Advisors

In August, the SEC voted 3-2 to release long-awaited agency guidance on how investment managers should oversee the work of the proxy advisory firms they hire. The SEC's action represents significant progress for issuers and should prod investment managers to ask the proxy advisors to improve the accuracy of reports and their disclosure of conflicts of inter-



From left to right: Bernadette McCormick, Board Chair Melissa Plaisance, Nicole Noutsios, Moriah Shilton, and Kim Pinyopusarek at the Securities and Exchange Commission.



NIRI members meet with U.S. Senator Tammy Baldwin (D-WI). From left to right: Ray Iardella, Bernadette McCormick, Ruth Venning, NIRI CEO Gary LaBranche, Jennifer Driscoll, Senator Baldwin, Patrick Davidson, Theresa Seck, Kay Gregory, Sara Macioch, and Terri Anne Powers.

est while also providing more opportunities for issuer input.

While the SEC did not impose new requirements directly on the proxy firms, as most issuer advocates had hoped, Chairman Jay Clayton said the SEC plans to undertake additional rulemaking in this area. NIRI has urged the SEC to mandate a draft review process so that all issuers will have an opportunity to review draft proxy reports and respond before investors start voting. [IR](#)

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