

The voice of IR in Washington

Gary LaBranche, president & CEO of NIRI, reflects on his first six months in the role



Gary LaBranche

NIRI is the voice of the investor relations profession in the United States. In this critical role, the organization works to ensure the concerns of IR professionals and their companies are heard in the halls of the US Congress and the offices of the SEC.

Since becoming NIRI's new CEO in March, I have met with a number of members of Congress and their staff, with an emphasis on those serving on the US House Financial Services Committee and the Senate Banking Committee. Working closely with the Society for Corporate Governance, a priority has been to gain bipartisan support for legislation by Senator Tammy Baldwin (D-Wisconsin) to modernize the 13(d) disclosure rules to provide greater transparency around hedge fund activism.

Another goal is to secure support for a bipartisan bill by Sean Duffy (R-Wisconsin) to regulate proxy advisers and ensure all companies have a chance to review draft proxy reports so that investors don't vote based on erroneous information.

NIRI is also working to modernize the 13(f) disclosure rules so companies and investors receive more timely and accurate information about institutional share ownership. Under rules adopted decades ago, investors can wait until 45 days after the end of a quarter to report their

holdings, which means other investors in the market are blind to information that might have a direct bearing on their investments. This lack of transparency makes it difficult for IR professionals to prioritize investor requests for meetings with the C-suite or the board of directors, and thus inhibits shareholder engagement. To ensure a more even and transparent playing field for all investors, NIRI would like to see 13(f) holding data disclosed every month with just a 15-day delay.

In a similar effort to boost transparency, NIRI – along with the NYSE, Nasdaq and more than a dozen issuers – have asked the SEC to implement a Dodd-Frank Act mandate to require the public disclosure of short positions. Such a rule would help companies more effectively respond to short-sellers while also addressing the concerns of their long-term investors.

On the corporate governance front, NIRI is working as part of a coalition with the US Chamber of Commerce and the National Association of Corporate Directors to update the SEC's shareholder proposal rules so that investors are not burdened during the busy spring proxy season with considering and voting on obscure special-interest resolutions that often receive limited support.

NIRI also is working with the chamber

and other business organizations to develop recommendations to make it easier for private companies to go public, and to ease the regulatory burdens on smaller issuers. We are encouraged that new SEC chair Jay Clayton has pledged to act to reverse the significant decline in US listed companies (see *Has the bull lost its horns?*, page 30, for more on this issue).

Notwithstanding the polarized political climate in Washington, we believe there is bipartisan support for common-sense reforms that would foster more IPOs, increase market transparency, and promote long-term value creation for shareholders.

In order to accomplish our advocacy objectives, US-based IR professionals – and their companies – must express their views directly to both lawmakers and the SEC. NIRI members represent public companies with more than \$9 tn in market capitalization. Working together, their collective voice can educate lawmakers and regulators to create change. The status quo will continue if they stay silent.

NIRI's ultimate goal is to ensure a more vibrant, open and accessible capital market in the US. To help give voice to this goal, NIRI's first-ever Legislative Summit and Fly-in in Washington is set for September 27 & 28, during which attendees will meet with members of Congress and SEC officials.