

September 29, 2020

Ms. Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**Re: Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20**

Dear Ms. Countryman:

On behalf of Corteva, Inc. (NYSE: CTVA), a global pure-play agriculture company providing seed, crop protection and digital solutions headquartered in Wilmington, Delaware, we are writing to express our opposition to the Commission's proposed amendments to the Form 13F reporting rules for institutional investment managers.

More specifically, we respectfully request the Commission give further consideration to the negative consequences of the 35-fold proposed increase in the Form 13F reporting threshold from \$100 million to \$3.5 billion, which would result in reducing the number of current 13F filers by nearly 90%.<sup>1</sup> While we welcome the Commission's interest in modernizing Form 13F reporting, we believe reforms should be consistent with the original intent of Section 13(f) to improve transparency for all market participants and increase investor confidence in the U.S. securities markets.<sup>2</sup>

**Negative Impacts from Reduced Transparency**

At the time of Corteva's spin from DowDuPont, Inc. in 2019, it became one of the first stand-alone publicly traded pureplay agriculture companies. Because of our single industry focus, educating and engaging investor and potential investors on the dynamics

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<sup>1</sup> See Press Release, U.S. Securities and Exchange Commission, *SEC Proposes Amendments to Update Form 13F for Institutional Investment Managers; Amend Reporting Threshold to Reflect Today's Equities Markets* (July 10, 2020), available at <https://www.sec.gov/news/press-release/2020-152>.

<sup>2</sup> See U.S. Securities and Exchange Commission, Office of Inspector General, Office of Audits, *Review of the SEC's Section 13(f) Reporting Requirements, Report No. 480* (September 27, 2010), at iv.

of our industry is critical. In order to facilitate this process, we extensively use 13F filings to aid our shareholder engagement efforts, as they are the only accurate source of institutional holdings available. If the Commission's proposal were enacted as of September 9, 2020, we would have lost visibility to 64.2% of Corteva's total current 13F filers. Therefore, this substantial decrease in transparency would significantly reduce our ability effectively engage with our investors.

Despite the original intent of 13F to increase transparency for all market participants<sup>3</sup>, the Commission's proposed amendments would result in the loss of transparency to the activities of more than 4,500 institutional investment managers representing approximately \$2.3 trillion in assets.<sup>4</sup> Like many companies, the data within 13F filings provides us assistance in identifying potential investors (such as those who have invested in peer companies) and in measuring the effectiveness of our engagement efforts with prospective and current investors. Both of these practices are important to ensuring ongoing access to the capital markets and the future growth of our business.<sup>5</sup>

Since the Commission's Form 13F rules were adopted more than 40 years ago, there has been a dramatic increase in engagement between institutional investors and the public companies with whom they invest. Investors have become more active in engaging with public companies on many important matters, including capital allocation decisions, long-term strategy, mergers and acquisitions, corporate governance, and sustainability. Moreover, the Commission has encouraged this engagement and recognized investor engagement as benefitting capital markets and investors generally.<sup>6</sup> Therefore, we respectfully request that the Commission consider the negative impact and the costs of the lost transparency that would result from the proposed amendments and evaluate

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<sup>3</sup> See U.S. Securities and Exchange Commission, Office of Inspector General, Office of Audits, *Review of the SEC's Section 13(f) Reporting Requirements*, Report No. 480 (September 27, 2010), at iv.

<sup>4</sup> See Commissioner Allison Herren Lee, *Statement on the Proposal to Substantially Reduce 13F Reporting* (July 10, 2020), available at <https://www.sec.gov/news/public-statement/lee-13f-reporting-2020-07-10>.

<sup>5</sup> To this end, in addition to the negative impacts related to shareholder engagement and access to capital markets, the Commission should consider the long-term impact of its proposed amendments on U.S. public markets if enacted, as the amendments may ultimately discourage companies from going public or prompt companies to list on overseas exchanges that provide greater transparency regarding their ownership positions.

<sup>6</sup> See, e.g., U.S. Securities and Exchange Commission, "What We Are Doing to Enhance Shareholder Engagement," available at <https://www.sec.gov/what-we-are-doing-improve-shareholder-engagement>. Chairman Jay Clayton, Statement at Open Meeting on Proposals to Enhance the Accuracy, Transparency and Effectiveness of Our Proxy Voting System (Nov. 5, 2019), available at <https://www.sec.gov/news/public-statement/statement-clayton-2019-11-05-open-meeting>.

whether the Commission's ultimate mission<sup>7</sup> and the original intent of the Form 13F disclosures<sup>8</sup> is consistent with the enactment of the Commission's proposed amendments.

### **Opportunities to Modernize 13F Reporting**

While we welcome the Commission's interest in modernizing Form 13F reporting, we believe opportunities to modernize Form 13F should be aligned to create greater transparency and reflect the significant changes to the capital markets since the adoption of Form 13F<sup>9</sup>. These capital markets changes include the significant expansion of the market for equity derivative products, which are not completely addressed by the current Form 13F<sup>10</sup>.

Transparency is ultimately aided through timely reporting and the Commission has long recognized the importance of revising reporting deadlines to address improvements in information technology and evolving capital markets. Commensurate with the advancements in technology and the significant changes to our capital markets since the adoption of Form 13F, we urge the Commission to adopt Form 13F reforms, which reduce the 45-day reporting deadline, require the disclosure of short positions, and align with Dodd-Frank legislation to provide for monthly disclosure.<sup>11</sup>

### **Conclusion**

For the forgoing reasons, we request that the Commission reconsider the implications and costs that would result from the proposed amendments and focus its Form 13F reporting

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<sup>7</sup> See Securities and Exchange Commission, *What We Do*, available at <https://www.sec.gov/Article/whatwedo.html> ("The mission of the U.S. Securities and Exchange Commission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.")

<sup>8</sup> See U.S. Securities and Exchange Commission, Office of Inspector General, Office of Audits, *Review of the SEC's Section 13(f) Reporting Requirements*, Report No. 480 (September 27, 2010), at iv.

<sup>9</sup> We believe calls to modernize Form 13F disclosures towards greater transparency are widely preferred by numerous capital market participants. See NYSE Group, NIRI, and Society for Corporate Governance, Request for Rulemaking Concerning Amendment of Beneficial Ownership Reporting Rules Under Section 13(f) of the Securities Exchange Act of 1934 in Order to Shorten the Reporting Deadline under Paragraph (a)(1) of Rule 13f-1, Petition No. 4-659, February 4, 2013, available at: <https://www.sec.gov/rules/petitions/2013/petn4-659.pdf>; NYSE Group and NIRI, Petition for Rulemaking Pursuant to Sections 10 and 13(f) of the Securities Exchange Act of 1934, Petition No. 4-689, October 7, 2015, available at: <https://www.sec.gov/rules/petitions/2015/petn4-689.pdf>; and Nasdaq, Petition for Rulemaking to Require Disclosure of Short Positions in Parity with Required Disclosure of Long Positions, Petition No. 4-691, December 7, 2015, available at <https://www.sec.gov/rules/petitions/2015/petn4-691.pdf>.

<sup>10</sup> See Office of the Inspector General, *Review of the SEC's 13(f) Reporting Requirements* (Sept. 27, 2010) at p. 25, available at <https://www.sec.gov/about/offices/oig/reports/audits/2010/480.pdf>.

<sup>11</sup> Congress has expressed a clear intent for Form 13F filers to provide more disclosure. See Section 929X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (calling for monthly disclosure of short positions).

reforms on efforts that would improve transparency for the benefit of capital markets participants. We believe that the proposed amendments if adopted would undermine the original intent of Form 13F and the Commission's efforts to increase shareholder engagement and transparency. Therefore, we respectfully request the Commission to withdraw any reduction to the current Form 13F reporting threshold and evaluate reforms that would increase investor confidence in the U.S. securities markets.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Fuerer', with a stylized flourish at the end.

Cornel B. Fuerer  
Senior Vice President and General Counsel