

STATEMENT REGARDING STAFF PROXY ADVISORY LETTERS

As recently announced, the Commission staff will be hosting an upcoming Roundtable on the Proxy Process.¹ The Roundtable, which is expected to be in November 2018, will provide the staff an opportunity to engage with market participants on topics including the voting process, retail shareholder participation and the role of proxy advisory firms. In developing the agenda for the roundtable, the staff has been considering (among other topics) whether prior staff guidance about investment advisers' responsibilities in voting client proxies and retaining proxy advisory firms should be modified, rescinded or supplemented. Staff guidance is nonbinding and does not create enforceable legal rights or obligations.

With this pending Roundtable and other policy considerations in mind, the staff of the Division of Investment Management has recently re-examined the letters that the staff issued in 2004 to Egan-Jones Proxy Services (May 27, 2004) and Institutional Shareholder Services, Inc. (Sept. 15, 2004). Taking into account developments since 2004, the staff has determined to withdraw these letters, effective today. The staff is providing this notice of withdrawal of the letters in order to facilitate the discussion at the Roundtable and looks forward to receiving information and feedback from stakeholders with multiple perspectives at the Roundtable, including on the staff guidance in Staff Legal Bulletin No. 20 (June 30, 2014). The staff expects to utilize what it learns in any future recommendations to the Commission with respect to proxy advisory firms.

Endnotes

- 1 See <https://www.sec.gov/news/public-statement/statement-announcing-sec-staff-roundtable-proxy-process>.



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