FACT SHEET

# Rescission of Rule 14a-8 and Amendments to Rule 14a-4(c)

On Sept. 16, 2026, the Securities and Exchange Commission proposed the rescission of Rule 14a-8 under the Securities Exchange Act of 1934, which would leave determinations about the role of shareholder proposals to state law and company governing documents. The Commission also proposed amendments to Rule 14a-4(c) to broaden the circumstances in which a company may exercise discretionary proxy voting authority on shareholder proposals that will be presented at a shareholder meeting but are not included in company proxy materials.

## Background

Rule 14a-8, the shareholder proposal rule, addresses when companies must include shareholder proposals in their proxy materials. Rescinding the rule would leave those determinations to state law and company governing documents (if permitted by state law).

Rule 14a-4(c) prohibits a company, under certain circumstances, from voting proxies it receives on shareholder proposals that are submitted outside of Rule 14a-8 and will be presented at a shareholder meeting but are not included in the company's proxy materials. An unintended consequence of this current prohibition is that companies may feel compelled to include these proposals on their proxy cards even though the federal proxy rules (and existing state law) do not require their inclusion.

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## Highlights of the Proposing Release

The proposing release discusses the scope of the Commission's authority under Section 14(a) of the Exchange Act and explains that Rule 14a-8 should be rescinded because it exceeds the Commission's statutory authority.

The Commission also has independent policy reasons for proposing to rescind the rule. First, many of the justifications that were originally provided to support adoption of Rule 14a-8 either have not been substantiated in practice or are less compelling today.

In addition, Rule 14a-8 also has had, and will continue to have, certain unintended consequences that further undermine any justification for retaining the rule:

- Rule 14a-8 has become a mechanism for influencing the interactions between companies and their shareholders in ways that are inconsistent with the rule's original purpose.
- The existence of Rule 14a-8 places the Commission in the position of making judgments about the application of state law that are best left to other actors.
- The presence of a federal rule has inhibited the development of state law and private ordering.

The proposed amendments to Rule 14a-4(c) would provide companies with greater flexibility to seek and obtain discretionary voting authority regarding shareholder proposals submitted outside of Rule 14a-8, the submission of which may become more frequent if Rule 14a-8 is rescinded, as proposed. At the same time, the proposed amendments would provide shareholders with the ability to elect to prevent the company from exercising such authority with respect to their individual shares.

## What's Next

The public comment period will remain open for 60 days following the publication of the proposing release in the Federal Register.