Cooley

SEC Executive Compensation Roundtable Comment Letter Roundup

August 20, 2025

As described in this June 27 alert, the Securities and Exchange Commission (SEC) on June 26 hosted a roundtable meeting to discuss potential updates to the existing executive compensation disclosure requirements and solicited comments from stakeholders about what form any updates should take.

As of August 19, more than 60 substantive comments had been submitted, including one from Cooley, as well as more than 1,000 comments generally following one of two standardized forms. All of the comments are publicly available on the SEC website.

To date, most of the comments focus on the requirements applicable to larger issuers as opposed to the scaled disclosure rules available to smaller reporting and emerging growth companies. As noted in our comment letter, while Cooley represents companies of all sizes and stages, we drafted our letter principally on behalf of, and from the perspective of, emerging growth and disruptive companies whose voices deserve to be heard but risk being drowned out.

Many comment letters focus on specific disclosure requirements and proposed changes in highly granular form, and, in a similar vein, many letters recommend eliminating particular requirements altogether – for instance, pay-versus-performance disclosure.

Cooley's comment endorses those approaches, but we focus on four overarching concerns we feel are especially important to many of our clients, whether public or aspiring to become public in the future:

1. Reform of perquisite treatment (including a clarification that executive security and work from home benefits are generally not perquisites).
2. Further scaling of the scaled disclosure rules.
3. Elimination of say on pay and say on parachute for **all** small issuers and not just emerging growth companies.
4. Simplification of the Securities Act of 1933 registration rules applicable to equity incentive compensation (i.e., Form S-8 registration and Rule 701 exemptions), specifically addressing thresholds and rules related to restricted stock units.

It is our hope that the SEC reduces the executive compensation compliance and disclosure burden on all issuers, large and small alike, and we will continue to urge the SEC to refocus disclosure requirements on only those matters that are material to investment and voting decisions.

We all have been presented with a once-in-a-generation opportunity to shape the future of executive compensation disclosure, and we urge you to add your voice to the call for meaningful and broad reform. Please reach out to us if you have not yet submitted a comment and are interested in doing so.

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