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Stalled or Invigorated, the S.E.C. Leaves Most Wanting More

The Securities Exchange Commission (SEC) has proposed numerous changes, but only delivered a few. Uncertainty remains...not only about if, when or in what form the final regulations will arrive, but also about the job the SEC is doing.

Major regulations are still outstanding. Long-awaited proposals include regulations governing proxy disclosure, new rules regulating short-selling, an overhaul of the role of nationally recognized statistically ratings organizations (NRSROs) in the credit rating process, and proxy access for large-scale, qualified investors to nominate board directors. Some of these regulations were supposed to be announced in time for the 2010 proxy season. Now, at best, they will arrive in time for 2011.

The SEC has finished some business. In an attempt to prevent another Madoff-type fraud, investment advisers must now be audited. Money market funds are also under tighter requirements after a few “broke the buck.” And companies must now disclose pay practices that could have a material impact on risk and performance. The SEC has also delivered guidance to help interpret existing regulation, such as climate change.

Chairman Mary Schapiro has been leading the SEC for over a year. She and the SEC are being given wide-ranging marks. Directorship magazine refers to the “recharged regulatory agency under Mary L. Schapiro.” In contrast, the Washington Post points out “tougher financial regulations [are] not coming fast or easy for SEC’s Mary Schapiro.” Harshest of all, the Wall Street Journal has called Schapiro “an obstacle to financial reform.”

If thoughtful regulations take shape during the coming months, history will look back kindly on Shapiro. At the moment, most are looking forward, awaiting something more.



Related Links:

The Washington Post. Tougher financial regulations not coming fast or easy for SEC's Mary Schapiro.

http://www.washingtonpost.com/wp-dyn/content/article/2010/02/15/AR2010021503010_pf.html

Directorship. The SEC at a Crossroads.

http://www.directorship.com/the-sec-at-a-crossroads/?utm_source=MailingList&utm_medium=email&utm_content=Edit:+SEC+Feb/March+Issue

Wall Street Journal. The SEC v. Investors.

http://online.wsj.com/article/SB10001424052748704722304575037280058460498.html?mod=WSJ_latestheadlines
