

## **Public Statement**

### Reconsideration of Pay Ratio Rule Implementation

#### **Acting Chairman Michael S. Piwowar**

**Feb. 6, 2017**

The Commission adopted the pay ratio disclosure rule in August 2015 to implement Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The rule requires a public company to disclose the ratio of the median of the annual total compensation of all employees to the annual total compensation of the chief executive officer.

Based on comments received during the rulemaking process, the Commission delayed compliance for companies until their first fiscal year beginning on or after January 1, 2017. Issuers are now actively engaged in the implementation and testing of systems and controls designed to collect and process the information necessary for compliance. However, it is my understanding that some issuers have begun to encounter unanticipated compliance difficulties that may hinder them in meeting the reporting deadline.

In order to better understand the nature of these difficulties, I am seeking public input on any unexpected challenges that issuers have experienced as they prepare for compliance with the rule and whether relief is needed. I welcome and encourage the submission of detailed comments, and request that any comments be submitted within the next 45 days.

I have also directed the staff to reconsider the implementation of the rule based on any comments submitted and to determine as promptly as possible whether additional guidance or relief may be appropriate.

I understand that issuers need to be informed of any further Commission or staff action as soon as possible in order to plan and adjust their implementation processes accordingly. I encourage commenters and the staff to expedite their review in light of these unique circumstances.

#### **Comments Received**

*Modified: Feb. 6, 2017*