

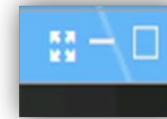
The New SEC: Lots of Fresh Faces. What Does That Mean?

December 2021

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Welcome

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Meet the Presenters



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The SEC's New Leadership

On April 17, 2021, Gary Gensler was sworn in as the new SEC Chair, appointed by President Biden.

Gensler previously served as the Chair of the U.S. Commodity Futures Trading Commission.

From 2017 to 2019, he served as the Chair of the Maryland Financial Consumer Protection Commission.

Before serving as SEC Chair, Gensler was professor of the Practice of Global Economics and Management at the MIT Sloan School of Management, co-director of MIT's Fintech@CSAIL, and senior advisor to the MIT Media Lab Digital Currency Initiative



The Current “Commission”

- In addition to Chair Gensler, the other Democratic Commissioners are:
 - **Allison Herren Lee**, who was appointed in 2019 and is currently scheduled to serve through 2022.
 - **Caroline Crenshaw**, who was appointed in 2020 and is scheduled to serve through 2021.
- The Republican Commissioners are:
 - **Elad Roisman**, who was appointed in 2018 and is scheduled to serve through 2023.
 - **Hester Peirce**, who was appointed in 2018 and is scheduled to serve through 2025.



Division and Office Directors

- On June 14, 2021, the SEC announced that **Renee Jones** had been appointed the Director of the Division of Corporation Finance.
 - Director Jones came from academia, having most recently served as the Professor of Law and Associate Dean for Academic Affairs at Boston College Law School.
 - The Division of Corporation Finance seeks to ensure that investors are provided with material information in order to make informed investment decisions, both when a company initially offers its securities to the public and on an ongoing basis as it continues to give information to the marketplace.



Division and Office Directors

- On June 29, 2021, the SEC announced the appointment of **Gurbir Grewal** as the Director of the Division of Enforcement.
 - Director Grewal had been serving as the Attorney General for the State of New Jersey.
 - Earlier in his career, he was an Assistant U.S. Attorney in the Criminal Division of the U.S. Attorney's Office for the District of New Jersey, where he served as Chief of the Economic Crimes Unit from 2014 to 2016 and oversaw the investigation and prosecution of all major white collar and cybercrimes in the District of New Jersey.
 - He also previously served as an AUSA in the Criminal Division of the United States Attorney's Office for the Eastern District of New York, where he was assigned to the Business and Securities Fraud Unit.



Division and Office Directors

- The Office of the Chief Accountant is responsible for accounting and auditing matters arising in the Commission's administration of the federal securities laws, particularly with respect to accounting policy determinations, the form and content of financial statements to be filed with the Commission, and internal control over financial reporting matters.
- The Chief Accountant is the principal adviser to the Commission on matters related to accounting and auditing.
- **Paul Munter** currently serves as the "Acting" Chief Accountant.



SEC FY 2021 Results

- On November 18, 2021, the SEC announced its enforcement results for its 2021 fiscal year (ended on Sept. 30, 2021). (See [SEC.gov | SEC Announces Enforcement Results for FY 2021.](#))
 - While the SEC claimed a 7% increase in enforcement actions, overall the amount of cases was essentially flat from the year before.
 - The 53 public company cases was a 15% decline and the lowest amount of public company cases since 2014.
 - In FY 2021, the SEC received more than 12,200 whistleblower tips—the largest number of whistleblower tips received in a fiscal year, which represents an approximate 76% increase over FY 2020.



Chair Gensler's SEC & Priorities

- Chair Gensler will lead an aggressive Division of Enforcement.
 - Expected areas of priority under Chair Gensler:
 - “ESG” – In addition to other guidance, on Sept. 22, 2021, the SEC’s Division of Corporation Finance issued this guidance on ESG disclosures – [SEC.gov | Sample Letter to Companies Regarding Climate Change Disclosures\[1\]](#).
 - Cybersecurity – the SEC provides substantive guidance on cybersecurity (see [SEC.gov | Cybersecurity](#)), which includes resources specific to “Public Companies / Issuers.”
 - The SEC has also been evaluating risks and disclosures to companies based on the pandemic and impact of supply chain issues. On June 23, 2022, the Division of Corporation Finance issued disclosure guidance in this regard - [SEC.gov | Coronavirus \(COVID-19\) — Disclosure Considerations Regarding Operations, Liquidity, and Capital Resources](#)



Going Forward ...

- Earlier this year, the SEC announced a Climate and ESG Task Force in the Division of Enforcement. ESG enforcement actions will be coming ...
- We should also expect an ESG rulemaking proposal. It was expected earlier this autumn.
- Future, additional anticipated rulemaking:
 - “Dusting Off” the 2015 “Clawback” proposal:
 - What may any final rules look like and require; and
 - What will they require of companies’ policies and procedures.
- Anything else ... ?



Questions?



Thank You



Thank You for Attending!

Download the presentation slides from the Resource List.

If a question you asked did not get answered during the live webcast, one of the presenters will answer your question via email.