Last October, the SEC adopted final rules directing the NYSE and Nasdaq to adopt listing standards requiring companies to have clawback policies that provide for the recovery, in the event of a required accounting restatement, of certain incentive-based compensation received by current or former executive officers based on erroneously reported financial information.

Last week, the NYSE and Nasdaq each proposed such listing standards for approval by the SEC that closely hue to the requirements set forth in the SEC rules. Here's the **NYSE's Section 303A.14 proposal** - and here's **Nasdaq's Rule 5608 proposal**.

The listing standards will become effective on the date of SEC approval (the Effective Date), which can be no later than November 28, 2023 but may occur much sooner since the SEC is expected to act quickly after a 21-

day comment period commencing after publication of these proposed listing standards in the Federal Register.

Under each of the stock exchanges' proposals, listed companies would need to:

- Adopt a clawback policy in the form required by the listing standards no later than 60 days after the Effective Date;

- Implement the clawback policy; and

- Make the required disclosures about the clawback policy in their SEC filings.

For further information, see our **earlier blog** and **Client Update** discussing the SEC's final clawback rules and steps companies should take to comply with the new rules - and our **blog** about the SEC Staff's recent Compliance and Disclosure Interpretations (CDIs) providing some guidance relating to the new clawback rules.

Explore more in

Corporate Law
Blog series

Public Chatter

Public Chatter provides practical guidance—and the latest developments—to those grappling with public company securities law and corporate governance issues, through content developed from an in-house perspective.

Subscribe ?

Visit Public Chatter Resources for Guides, Quick Alerts and Programs

View the blog