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Clawbacks: SEC (Slightly) Extends Deadline for It to Act on NYSE/Nasdaq Proposals



On Monday, the SEC extended the deadline by which it must act on the proposed NYSE and Nasdaq listing standards that deal with "Recovery of Erroneously Awarded Executive Compensation." The SEC now has until June 11, 2023 (instead of April 27th) to decide whether to approve the two listing standard proposals. Here's the [SEC's extension order](#) relating to the NYSE - and here's [the order](#) relating to Nasdaq.

### **What does this mean for listed companies?**

Under the exchange proposals, the new listing standards could become effective on the date they are approved by the SEC, in which case the 60-day deadline for companies to adopt compliant clawback policies may be no later than August 10, 2023 (rather than June 26, 2023).

This is not the action urged by [a group of law firms](#) and other groups asking that the SEC not approve the effectiveness of the new listing standards earlier than November 28, 2023, the latest date for the listing standards to become effective under the timeframe set forth in the SEC's Rule 10D-1, which would result in a January 2024 deadline for companies to adopt a compliant policy.

It remains to be seen if the SEC and the exchanges will take the hoped-for further action to extend the deadline for effectiveness of the new listing standards.

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