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### Corp Fin Doesn't Grant No-Action Relief for "AI Transparency" Proposals



One new type of shareholder proposal this proxy season relates to the transparency of a company's use of – and investment in – artificial intelligence, including how the company is managing any financial and "public welfare" risks related to AI. It has been reported that at least a half dozen companies have received this type of proposal so far.

And now Corp Fin has issued the first responses to requests made under Rule 14a-8 to exclude the proposals. In both cases, Corp Fin didn't grant the relief. The companies primarily argued that the proposals should be excluded under Rule 14a-8(i)(7) since using AI is part of a company's ordinary business. In both letters, the Staff noted that the proposals transcend ordinary business matters.

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