

Press Release

SEC Staff Provides Guidance to Promote Continued Shareholder Engagement, Including at Virtual Annual Meetings, for Companies and Funds Affected by the Coronavirus Disease 2019 (COVID-19)

FOR IMMEDIATE RELEASE

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Washington D.C., March 13, 2020 — The Securities and Exchange Commission today announced that the SEC staff has published guidance to assist public companies, investment companies, shareholders, and other market participants affected by COVID-19 with their upcoming annual shareholder meetings. The guidance is designed to facilitate the ability of companies to hold these important meetings, including through the use of technology, and engage with shareholders while complying with the federal securities laws.

“The SEC staff recognizes that many public companies and other market participants are transitioning to teleworking, virtual meetings and other contingency measures to address health concerns,” said SEC Chairman Jay Clayton. “Our staff stands ready to facilitate these transitions and we encourage market participants to contact us with requests for guidance or relief. The SEC has itself moved to teleworking and virtual meetings and remains fully operational.”

Many public companies and investment companies are required to hold annual meetings of security holders, with the federal securities laws requiring the delivery of proxy materials to the voting shareholders. The spread of COVID-19 has affected the ability to hold these in-person meetings due to health, transportation, and other logistical issues. In light of these difficulties, the staff guidance provides regulatory flexibility to companies seeking to change the date and location of the meetings and use new technologies, such as “virtual” shareholder meetings that avoid the need for in-person shareholder attendance, while at the same time ensuring that shareholders and other market participants are informed of any changes.

Under the guidance, the affected parties can announce in filings made with the SEC the changes in the meeting date or location or the use of “virtual” meetings without incurring the cost of additional physical mailing of proxy materials. The guidance also encourages companies to provide shareholder proponents with alternative means, such as by telephone, to present their proposals at the annual meetings in light of the difficulties that shareholder proponents face due to COVID-19.

The SEC will continue to closely monitor the impact of COVID-19 on investors and the capital markets. Companies, shareholders, and other market participants are encouraged to contact the SEC staff with any questions and concerns.

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Related Materials

- [Staff Guidance](#)