April 3, 2023

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

**Re: Notice of Filing of Proposed Rule Change to Adopt New Section 303A.14 of the NYSE Listed Company Manual to Establish Listing Standards Related to Recovery of Erroneously Awarded Incentive-Based Executive Compensation (SR-NYSE-2023-12)**

**Notice of Filing of Proposed Rule Change to Establish Listing Standards Related to Recovery of Erroneously Awarded Executive Compensation (SR-NASDAQ-2023-005)**

Dear Ms. Countryman:

The undersigned organizations submit these comments regarding the rules recently adopted by the Securities and Exchange Commission (SEC) to implement Section 954 of the Dodd-Frank Act. We are concerned that issuers will be expected to comply with the new listing standards required by Section 954 much sooner than anticipated, and respectfully request that the SEC allow issuers enough time to develop and adopt their policies and procedures related to executive compensation "clawbacks."

The SEC issued final rules to implement Section 954 in October 2022.[1] The rules stipulated that exchanges file their proposed listing standards with the SEC within 90 days, and that the new listing standards become effective by no later than one year following the publication of the final rules in the Federal Register. Pursuant to this deadline, the new listing standards must be effective by November 28, 2023. Companies then have 60 days after that date to adopt their clawback policies. The one-year implementation timetable struck a proper balance between ensuring the standards become effective within a reasonable timeframe, while also affording issuers the time necessary to develop their policies and procedures regarding clawbacks.

Issuers are currently undergoing extensive and time-consuming internal reviews to decide what aspects of their executive compensation may be subject to clawbacks and how certain definitions and requirements contained within the new standards will affect their compliance programs. This analysis includes examining all relevant documents to determine the components of executive pay that should be considered "financial reporting measures," comparing and aligning any existing clawback policies with the new listing standards, and preparing the extensive documentation and disclosures required by the Commission's rule.

For a substantial number of companies, this process has proven to be a challenge given the complexities of the new rules. It is even more of a challenge considering that many of the same

[1] 87 FR 73076

personnel at these companies are in the process of complying with other recently adopted SEC regulations (including pay versus performance and 10b5-1 plan rules) while also anticipating how several outstanding proposed rules will affect their corporate governance and executive compensation.

We urge the SEC to provide issuers the time necessary to fully assess the impact of the new listing standards on their executive compensation programs, as communicated in the final rule, and be able to develop their policies and procedures appropriately. While the exchanges have submitted their rules in a timely fashion, issuers are concerned that the SEC may approve these new standards much sooner than had been anticipated and  thus making them effective sooner than communicated by the Commission. For good reason, issuers have been expecting that the SEC would adhere to the timeframe outlined in the October 2022 adopting release and approve the new listing standards in November 2023.

We appreciate the SEC's consideration of this request.

Sincerely,

American Securities Association

Business Roundtable

Center On Executive Compensation

National Association of Manufacturers

U.S. Chamber of Commerce