

Possible Extension of Clawback Rule Effectiveness is Welcome Development for Issuers

Employee Benefits & Executive Compensation on **June 8, 2023**

Issuers that have been scrambling to prepare their boards and executives for accelerated implementation of compliant Dodd-Frank clawback policies will be glad to hear that [the NYSE](#) and [Nasdaq](#) have filed amendments to their proposed clawback rules to extend the effective date that would apply if the proposals are approved until October 2, 2023. If approved, the amendments would give listed companies **until December 1, 2023** (60 days after the effective date of the rules) to adopt a compliant Dodd-Frank clawback policy.

The NYSE and Nasdaq's clawback rules were subject to public comment periods and careful consideration, and the decision to extend the effective date that would apply if the proposals are approved allows issuers to engage in a more thorough review of their existing compensation and clawback policies, make necessary adjustments, communicate changes to executives, employees, and shareholders effectively, and ultimately ensure compliance with the new rules.

For an in-depth discussion of the SEC's final Dodd-Frank clawback rules and related practical considerations, please see [this blog post](#). We also discuss the interaction of the SEC's final Dodd-Frank clawback rules and the DOJ clawback guidance in [this blog post](#) and [this Law360 Article](#).

Proskauer's Employee Benefits and Executive Compensation and Capital Markets teams are advising issuers on implementation of new clawback policies and updating existing clawback policies to comply with the listing standards as they are finalized. Please contact a member of our teams with questions.

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