

NYSE and Nasdaq Extend Compliance Deadline to Adopt Dodd-Frank Clawback Policies

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PRACTICES Employee Benefits and Executive Compensation

NYSE and Nasdaq issuers now have until December 1, 2023 to adopt clawback policies to comply with the SEC's final rules implementing a provision of the Dodd-Frank Act that requires covered publicly-listed issuers to establish clawback policies to recover incentive-based compensation received by current or former executive officers if such compensation is based on erroneously reported financial information (we previously reported on the SEC's final rules [here](#)). This extended effective date is a result of the amendments that NYSE and Nasdaq filed with the SEC to their proposed listing standards on June 5th and June 6th, respectively (the "**Amendments**"), that would delay the effective date for incentive-based compensation to be subject to potential clawback to October 2, 2023. The NYSE amendment can be found [here](#), and the Nasdaq amendment can be found [here](#). On June 9th, the SEC approved the proposed rule changes, as modified by the Amendments, resulting in an extension of the compliance deadline to December 1, 2023 (*i.e.*, 60-days following the October 2, 2023 effective date).

While the Amendments will provide additional time for companies to comply with the Dodd-Frank clawback policy requirement, exchange compliant policies are complex and the recovery requirements are very technical and overlap with other clawback mandates. Covered issuers should work with counsel to ensure Dodd-Frank compliant clawback policies are in place before the December 1, 2023 extended deadline.