

## News &amp; Events

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Corporate Partner Rajib Chanda was quoted in *BoardIQ*, a *Financial Times* news service, on the SEC's plan for a new rule regarding board diversity. In a recent speech, SEC Chair May Jo White proclaimed the need for a new rule, asserting that the SEC's current rule mandating that funds and companies disclose whether directors consider diversity when seeking candidates for open seat has not been effective in obtaining significant change. Definitions of diversity vary widely among companies, and include life and work experience, living abroad, relevant expertise – and only sometimes race, gender, ethnicity and sexual orientation. The level of minority directors on boards of the top 200 S&P 500 companies has stayed at 15% in recent years and the percentage of these companies with at least one minority director actually declined from 90% in 2005 to 86% in 2016.

Rajib notes that it would be beyond the scope of the SEC to mandate certain behavior, but predicts the SEC would likely focus on statistics or clarify how diversity is designed. "The world is changing. The pool of candidates is changing as each generation has more women and minorities with the requisite business and leadership credentials," Rajib says. "Inexorably, board candidates are going to continue to get more diverse."

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