

Let a Thousand Flowers Bloom: Advisory Voices Proliferate at SEC

May 05, 2021

The hot topic of environmental, social, and governance (ESG) disclosure has called attention to a growing number of voices advising the SEC commissioners.

The SEC's Asset Management Advisory Committee, Investor Advisory Committee, and Investor Advocate have made ESG recommendations. Then-acting Chair Allison Herren Lee recently appointed a senior adviser for ESG and, together with Commissioner Caroline Crenshaw, called for an ESG Advisory Committee and a staff task force on ESG. This totals four existing and two proposed streams of ESG advice to the commissioners from sources within or created by the SEC.

The SEC formed the **Asset Management Advisory Committee** in late 2019 to provide the commission with “diverse perspectives on asset management and related advice and recommendations” regarding:

- Trends and developments affecting investors and market participants.
- The effects of globalization, including as it relates to operations, risks and regulation.
- Changes in the role of technology and service providers.

Congress formed the **Investor Advisory Committee** in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act to “advise and consult” with the SEC on:

- Regulatory priorities of the SEC.
- Issues relating to the regulation of securities products, trading strategies, fee structures, and the effectiveness of disclosure.
- Initiatives to protect investor interests.

- Initiatives to promote investor confidence and the integrity of the securities marketplace.

Congress established the **Office of the Investor Advocate** within the SEC in the Dodd-Frank Act to report directly to the SEC's chairman and provide the following "functions":

- Assist retail investors in resolving significant problems they may have with the SEC or with self-regulatory organizations.
- Identify areas in which investors would benefit from changes in the SEC's regulations or the rules of self-regulatory organizations.
- Identify problems that investors have with financial service providers and investment products.
- Analyze the potential impact on investors of proposed regulations of the SEC and self-regulatory organizations.
- Propose to the SEC changes in the commission's regulations or orders, and propose to Congress any legislative, administrative, or personnel changes that may be appropriate to mitigate problems identified and to promote the interests of investors.

The recommendations of these existing entities, plus any entity created as proposed, together with regular staff input and public comments, will give the commissioners a lot to digest.

Authored By



Gary O. Cohen

Related Practices

[Financial Services Regulatory](#)
[Life, Annuity, and Retirement Solutions](#)

Related Industries

[Securities & Investment Companies](#)
[Life, Annuity, and Retirement Solutions](#)
[Life, Annuity, and Retirement Solutions](#)

©2024 Carlton Fields, P.A. Carlton Fields practices law in California through Carlton Fields, LLP. Carlton Fields publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information and educational purposes only, and should not be relied on as if it were advice about a particular fact situation. The distribution of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship with Carlton Fields. This publication may not be quoted or referred to in any other publication or proceeding without the prior written consent of the firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our Contact Us form via the link below. The views set forth herein are the personal views of the author and do not necessarily reflect those of the firm. This site may contain hypertext links to information created and maintained by other entities. Carlton Fields does not control or guarantee the accuracy or completeness of this outside information, nor is the inclusion of a link to be intended as an endorsement of those outside sites.