

SEC Proposes Rules on Insider Trading, Rule 10b5-1 and Share Repurchases

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On December 15, 2021, the Securities and Exchange Commission (“SEC” or “Commission”) held a virtual open meeting where it considered four rule proposals, including two that are particularly pertinent to all public companies: (i) amendments regarding Rule 10b5-1 insider trading plans and related disclosures and (ii) new share repurchase disclosures rules.

Both proposals passed, though only the proposed amendments regarding Rule 10b5-1 insider trading plans and related disclosures passed unanimously; the proposed new share repurchase disclosures rules passed on party lines. Notably, these proposals only have a 45-day comment period, which is shorter than the more customary 60- or 90-day comment periods. Commissioner Roisman, in particular, raised concerns about the 45-day comment periods being too short, noting that the comment periods run “not only over several holidays,” but “also concurrent with five other rule proposals that have open comment periods.”

Below, please find summary descriptions of the these two rule proposals, as well as certain Commissioners’ concerns related to these proposals.

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The following Gibson Dunn attorneys assisted in preparing this update: Ronald Mueller, Andrew Fabens, James Moloney, Lori Zyskowski, Thomas Kim, Brian Lane, and Elizabeth Ising.

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