



California Corporate & Securities Law

If ISS' Proposed Political Spending Updates Are Adopted, We'll All Be Wearing A Size 14*

By [Keith Paul Bishop](#) on November 9, 2011

The ISS Global Policy Board recently solicited comments with respect to its proposed updates to its benchmark proxy voting guidelines. One of the policy changes under consideration relates to corporate political spending disclosure proposals. Under ISS' current guidelines, these proposals are evaluated on a case-by-case basis. ISS is now [proposing](#) to change its position to a "generally vote FOR recommendation".

This week, I joined Professor [Stephen Bainbridge](#) ([UCLA Law School](#)) and [James Copland](#) (Director, [Center for Legal Policy at the Manhattan Institute](#)) in submitting this [comment letter](#) opposing the change. ISS' proposed change is unwarranted for a number of reasons, including:

- From 2008 through August 1, 2011, no shareholder proposal concerning political speech came close to achieving majority support;
- All public companies are not similarly situated with respect to either the potential beneficial or negative impacts of disclosures;
- The actual proposals submitted to date differ materially; and
- The evidence suggests that nearly all of these proposals have been "sponsored by funds affiliated with labor unions or social or religious interests—investors who either may or expressly do seek goals apart from investment return".

I hope that ISS eschews a "one size fits all" approach corporate spending proposals.

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