

DO THE SEC'S DISCLOSURE RULES AFFECT SHAREHOLDER VALUE?

by

PATRICK WOONG RYU

(Under the Direction of John L. Campbell)

ABSTRACT

The Securities and Exchange Commission (SEC) states that, to fulfill its mission of protecting investors and establishing confidence in capital markets, it is imperative that firms maintain a steady flow of timely, comprehensive, and accurate disclosure. As a result, the SEC regulates corporate disclosures. In this study, I examine whether and to what extent the SEC's final rules on disclosure affect shareholder value. Through a comprehensive event study of 141 SEC disclosure rules, I find that SEC rules on average have no directional effect on firm value. However, approximately 61% of SEC final rules generate significant (directional and absolute) stock price reactions. I find that disclosure rules are more likely to generate positive returns when they are enacted following periods of macroeconomic uncertainty (e.g., Enron/WorldCom frauds, financial crisis of 2008), as well as when they target firms with high information asymmetry, high agency costs, and low proprietary costs. Overall, my results suggest that the majority of SEC disclosure regulation affects firm value, but its directional effect on stock prices is neutral. Furthermore, any positive effects on firm value depend on macroeconomic and firm-specific characteristics.

INDEX WORDS: Disclosure Regulation, Securities and Exchange Commission

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CHAPTER 1

INTRODUCTION

The SEC is the primary overseer and regulator of U.S. securities markets since 1934. At the core of SEC regulations is corporate disclosure, as the SEC views “the steady flow of timely, comprehensive, and accurate information” to be critical to fulfilling its mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation (SEC 2013). Given the substantial impact of these disclosure regulations, politicians and practitioners, along with academics, have extensively debated about what effect these disclosure regulations have on firms and their stakeholders. Academic studies have frequently taken the approach of examining individual SEC regulations.¹ The lack of a comprehensive examination undermines our understanding of the net impact of the SEC’s disclosure regulations on firms and the investors that the SEC seeks to protect. In this study, I undertake a comprehensive examination of SEC disclosure regulations and their effect on shareholder value.

Khan, Li, Rajgopal, and Venkatachalam (2018) address the question of how accounting standards established by the FASB affect shareholder value by comprehensively examining the stock price reaction to all FASB standards. They reach the conclusion that the FASB’s accounting standards do not impact shareholder value on average, and that the vast majority of FASB

¹ Generally speaking, prior studies focus on individual standards and fail to reach a consensus as to the value implications of SEC disclosure rules. Validating the need for a comprehensive study, prior standards-level studies cover only 25 of the 141 rules studied in my sample. Validating my research design for this subset of 25 rules, I find stock market reaction in the same direction as these prior studies in 20 of the 25 cases. See a comprehensive discussion of prior literature in Section 2 as well as in Section 5.

pronouncements result in no stock price reaction at all. From this study, one might conclude that disclosure regulation has no impact on firm value.

However, the question of whether disclosure regulation impacts shareholder value cannot be settled without an examination of SEC disclosures regulations. The SEC has two features that make it more likely that their disclosures rules have an effect on firm value. First, the SEC can pass disclosure rules in a more timely and impactful way than the FASB. Specifically, the five SEC Commissioners share similar backgrounds (i.e., securities lawyers, often from major US law firms) and, because the President of the United States often appoints three Commissioners from his/her political party, their view towards disclosure regulation is relatively homogeneous. In contrast, the seven FASB Board members represent various constituents (i.e., preparers, auditors, investors, and academics), must maintain adherence to a conceptual framework, and as a result their deliberation process often takes longer and results in more compromise and negotiation.² Second, the role and scope of the SEC is broader than that of the FASB. The FASB is a standard setter whose accounting standards are strictly focused on financial statements and their footnotes. In contrast, the SEC is a regulator that oversees a broader set of disclosures and also has a vast authority over capital market regulations.³ Whereas the focus of the FASB is to set the standards by which economic transactions are measured, the SEC can mandate the scope of information provided to investors by the firm. The broader scope and authority enable the SEC to have a more far-reaching impact on shaping corporate disclosures.

² Reflecting these differences, the period between the earliest relevant date and the final date is 264 days for SEC final rules on disclosures whereas FASB accounting standards take 494 days on average from the earliest relevant date to the final accounting standard.

³ Specifically, the FASB focuses on disclosures in the financial statements and their footnotes as specified in Regulation S-X and found in Item 8 of the Form 10-K. In contrast, the SEC focuses on a broader set of disclosures based on both Regulation S-X and Regulation S-K and found in the remaining 15 items of the Form 10-K as well as every other Form filed with the SEC. These disclosures include those related to the firm's industry, business, properties, contracts (with capital providers, customers, and suppliers), executive compensation, governance, risk factors, and liquidity, as well as management's description of recent performance changes and reasons for issuing capital. In addition, whereas the FASB only issues accounting standards, the SEC also has the authority to enforce regulations and to regulate more than firm disclosures, including securities markets and auditors.

Therefore, I comprehensively examine investor reactions to the adoption of SEC final rules regulating corporate disclosure (both collectively and individually) to observe whether these rules induced changes in shareholder value. I follow Khan et al. (2018) and focus on shareholder value as a measure of how SEC disclosure rules affect shareholders because it provides a summary of the costs and benefits anticipated by investors and represents the ultimate objective of the shareholder's investment activities. At the stock market level, SEC disclosure regulations can address market failures of the underproduction of financial information (due to the non-excludable nature of information; Coffee 1984), adverse selection from information asymmetry (Akerlof 1970), or excess costs incurred by firms trying to signal credibility in their disclosures. Regulations that adequately address these market failures can increase the social welfare of stock markets, the demand for firm shares, and ultimately shareholder value.

At the firm level, SEC disclosure rules can positively affect shareholder value if they help overcome constraints to the flow of corporate information, such as agency costs, credibility of corporate disclosures, or information risk, in a cost-efficient manner. On the other hand, if market forces are sufficient to require firms to disclose relevant corporate information in a manner that maximizes firm value, SEC disclosure rules may impose unnecessary costs and constraints, such as costs related to compliance and proprietary information, causing firms to deviate from an optimal level of disclosure and suffer a decrease in firm value. Given these arguments, whether and to what extent SEC disclosure rules affect shareholder value is an empirical question.

I also examine whether the effect of SEC disclosure regulations on shareholder value vary over time and cross-sectionally. The demands and conditions for regulation are not constant, as evidenced by examples such as when banks and financial institutions demanded specific guidance on accounting for financial instruments during the financial crisis (Kothari, Ramanna, and Skinner

2010). Under different circumstances, SEC disclosure regulations can have different implications for shareholder value. In addition, as each SEC disclosure rule regulates different dimensions of the firm, every disclosure rule entails a heterogeneous set of costs and benefits. This warrants an examination of the cross-sectional characteristics that can be associated with the variation of the rule's impact on shareholder value.

Using an event study approach, I calculate abnormal returns over the events associated with the adoption of SEC final rules on disclosure. I identify 141 SEC final rules related to disclosure by manually examining final rules issued by the SEC from 1992 to 2018. Based on the 411 event dates associated with the increase or decrease of the probability of issuing a final rule, I examine two measures of shareholder value for each rule. First, as SEC regulations can potentially affect a large number of firms in the market, I examine U.S. equity market index returns (Armstrong, Barth, Jagolinzer, and Riedl 2010; Hoffman, Campbell, and Smith 2020; Zhang 2007). To address any confounding economic events, I benchmark these market-level returns against an international index that excludes U.S. firms (i.e., the MSCI World Index ex USA). I cumulate the abnormal returns across the [-1, 1] window for each event date and sum across all events to calculate cumulative abnormal returns (CAR) for each rule. I assess the significance of this measure by bootstrapping p-values from a distribution of CAR based on non-event windows.

As a second measure, to narrow the focus to the firm-level, I compare the abnormal returns between firms that are more affected by the rule and firms that are less affected by the rule (Becker, Bergstresser, and Subramanian 2013; Khan et al. 2018). This measure has the benefit of controlling for confounding economic events within the U.S. equity market and identifying the effect of disclosure on the subset of firms that the regulation is directed towards. For each rule, I calculate the abnormal returns from a four-factor model for each firm over the [-1, 1] window surrounding

each event date and cumulate these returns. I compare these CAR values between firms that are more affected by the rule and firms that are less affected by the rule. In addition, to further examine whether the SEC final rule had an impact on shareholder value, I test whether the absolute returns in the group of more affected firms is larger than those of firms that are less affected by the rule for the subsample of rules with no significant stock price reaction. This extension of the second measure is intended to identify rules that affected shareholder value, but where that effect was positive for some firms and negative for others within the group of affected firms.

I find evidence that SEC final rules – taken as a whole – do not have a *directional* impact on shareholder value. Specifically, the mean market-level reaction is 0.30% while the mean firm-level reaction is -0.03%. However, I find that the vast majority of SEC disclosure rules elicit a statistically significant market reaction, as around 61% statistically affect stock prices.⁴ The fact that 61% of SEC final rules on disclosure have an impact on shareholder value is particularly notable, as Khan et al. (2018) show that the proportion of FASB standards that significantly change value is only 25%. This difference is potentially consistent with the differences in disclosure type and regulator composition resulting in the SEC issuing more impactful regulations.

Next, I find that rules that are proposed subsequent to significant macroeconomic crises, when restoring confidence in capital markets is important, on average positively affect shareholder value. Finally, I find that the rules that have a positive effect on shareholder value tend to target firms with more information asymmetry, higher agency costs, and less potential proprietary costs compared to rules that negatively affect shareholder value. This is consistent with the idea that regulations that address the constraints to an optimal level of disclosure while not entailing excessive costs can be beneficial to shareholders.

⁴ Specifically, 16% of the rules have a positive effect, 26% have a negative effect, and 19% yield significantly higher absolute returns.

I make three primary contributions to the academic literature. First, I contribute to research on the value of disclosure regulation in capital markets. As discussed, the effect of disclosure regulations has been subject to extensive debate, especially given the argument that market forces should provide sufficient incentives for firms to voluntarily disclose information and the contrasting prevalence of mandatory disclosure regulations in developed markets (Beyer, Cohen, Lys, and Walther 2010; Healy and Palepu 2001; Leuz and Wysocki 2016). Prior literature, however, is inconclusive because there is no unifying theory of mandatory disclosure (Beyer et al. 2010), and empirical evidence is inconclusive (Leuz and Wysocki 2016) as prior studies have been focused either on individual regulations at the cost of comparability or identification at the cost of generalizability. Specifically, prior research at the standards-level has only examined 25 of the 141 disclosures rules in my study, and their results as to firm value are mixed. I contribute by comprehensively examining 141 SEC disclosure rules and finding that the majority of these rules (i.e., 61%) result in a significant stock market reaction. Furthermore, consistent with the mixed results in prior studies, I confirm that they have no clear directional effect overall.

Second, I contribute to the research on disclosure regulations by identifying the SEC regulations on disclosure that appear to be most value enhancing and those that appear to be value destroying. Prior studies on the SEC's actions have demonstrated the vast reach and impact of individual disclosure regulations (Leuz and Wysocki 2016). However, there is still a lack of an understanding on the benefits and costs of governmental regulation, further exacerbated by the heterogeneous efficiency and effectiveness of each regulatory action. Studies that examine broad characteristics across regulations and their consequences are limited (e.g., Rule-based accounting standards [Donelson, McInnis, and Mergenthaler 2012; 2016] and Restrictiveness [Hribar, Mergenthaler, Roeshley, Young, and Zhao 2020, Wu 2020]). I contribute to this literature by

observing that SEC final rules are more likely to be positive when the regulations are in response to macroeconomic uncertainty or firms with an otherwise poor information environment that cannot be explained by proprietary costs.

Finally, I contribute to research on the rulemaking process in financial markets, particularly in comparison to the FASB. In combination with the evidence from Khan et al. (2018), my results not only extend our understanding of disclosure regulations, but also the nuanced difference between the two entities that have a governing role in capital markets. The larger impact of SEC disclosure rules potentially reflects the vaster scope of the SEC, the SEC's ability to pass regulations more quickly, and the FASB's "top-down" approach based on the conceptual framework in contrast to the SEC's legislative foundations for its regulations.

These findings are subject to several caveats. First, the scope of SEC activities is much larger than writing disclosure rules.⁵ Thus, my results cannot speak to the social welfare of the SEC as an institution. Second, SEC disclosure rules may not be intended to benefit shareholders. The disclosure of information can potentially be for the benefit of other stakeholders at the cost of shareholders. Third, as an event study, I focus on short window returns around relevant event dates. This design choice implies that if there are any costs or benefits that do not necessarily manifest in firm value during that short window, I may potentially understate these effects of the rule. Especially, this implies that I rely on the expectations of market participants around disclosure mandates, prior to observing the actual mandated disclosure. For example, my research design would not capture any unanticipated effects of the rule or its implementation. However, I note that

⁵ In addition to corporations and their disclosures, the SEC oversees various market participants including securities exchanges, broker-dealers, investment companies, and advisors. On disclosure, not only does the SEC create and maintain regulations, but they also enforce the regulations, hold programs on investor education, actively communicate with market participants, and cooperate with other governmental institutions, including the U.S. Congress, to regulate securities markets.

most event studies, including Khan et al. (2018), are subject to similar caveats in research design, and the collective set of results can be interpreted as a comparable set of outcomes.

CHAPTER 2

INSTITUTIONAL BACKGROUND AND PRIOR LITERATURE

Institutional Background on SEC rulemaking

The mission of the SEC is “to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.” As the primary overseer and regulator of U.S. securities markets, the SEC is responsible for enforcing securities laws, governing securities markets, and presiding over the disclosure of meaningful information to the public. The SEC states that the flow of timely, comprehensive, and accurate information is critical for people to make sound investment decisions (SEC 2013). As a result, one of the key roles of the SEC is to implement and maintain regulations over what information firms disclose and how they do so.⁶

To fulfill this role, the SEC issues rules under the authority derived from Federal Securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. Similar to other Federal government agencies, the process of SEC rulemaking lays within the framework of the Administrative Procedure Act. The need for rulemaking can be identified by Congress, other government agencies, the general public, or internally by the SEC itself. When such a demand is identified, rulemaking generally starts with a rule proposal, but when the issue is unique or complicated the SEC may issue a concept release to seek public input. The SEC can also seek public input through roundtable discussions and hearings. Based on this feedback, the SEC staff draft a rule proposal and present it to the full Commission. The rule proposal generally contains the text of the new or amended rule along with a discussion of the issue the rule is intended to

⁶ Disclosure related rules compose only a subset of all of the rules issued by the SEC (141 out of 646 final rules from 1992-2018). Other SEC rules range from those on enforcement to those on securities exchanges and financial institutions.

address. When the Commission votes to approve the rule proposal, it is released to the public through the SEC website and publication in the Federal Register. Rule proposals are accompanied by a comment period of generally 30 or 60 days, during which the public can comment on the rule proposal. This input is considered by the SEC when the staff prepares the final rule. The final rule is adopted by a majority vote of the Commissioners and officially becomes a part of the rules that govern securities markets (SEC 2002, 2011). The full text of the adopted final rule is released on the SEC website and the Federal Register.

Prior literature on SEC regulation

The SEC has been the centerpiece of active regulation over securities markets since the Securities Act of 1933 and the Securities Exchange Act of 1934. Given the vast outreach of the SEC and the importance of mandatory disclosures in SEC regulatory actions, how SEC regulations on disclosure affect capital market stakeholders, including shareholders, is an important question. However, the answer to this question has been subject to much debate.

The earlier studies on SEC regulation and mandatory disclosure provisions generally examine securities around the adoption of the Securities Act of 1933 and the Securities Exchange Act of 1934. Several prominent early studies find that these legislations had no significant effect on the value of securities (Benston 1973, Stigler 1964). These results were disputed at the time (Friend and Herman 1964; Friend and Westerfield 1975; Robbins and Werner 1964), but subsequent studies have failed to reach a consensus (Coffee 1984; Healy and Palepu 2001).

More recent studies have generally taken the approach of trying to adopt better identification strategies to examine the effects of SEC regulation. Among those that examine SEC regulations as a whole, Bushee and Leuz (2005) and Greenstone, Oyer, and Vissing-Jorgensen (2006) examine regulations that impose the disclosure requirements of the SEC over a subset of

Over-The-Counter (OTC) securities. This setting has the benefit of being able to compare firms that were newly subject to the regulation requirements to those that were not, analogous to a difference-in-differences design. Greenstone et al. (2006) examine the 1964 Amendments to the Securities Act that expand mandatory disclosure requirements to large OTC firms and find results that firms affected the most by the Amendments exhibited positive stock returns both in the week around the announcement and during the period from the initial proposal to when it was effective. On the other hand, Bushee and Leuz (2005) find evidence that the mandatory disclosure requirements imposed by the SEC approval of the “eligibility rule” in 1999 were costly to smaller Over-the-Counter Bulletin Board (OTCBB) firms as many delisted from OTCBB, while OTCBB firms that were already complying with the regulations actually experienced positive stock returns, which suggests the presence of positive externalities from disclosure regulation.

Notably, instead of taking the approach of examining the adoption of SEC regulation itself, Wu (2020) examines the effect of SEC regulations on corporate policies by focusing on the dimension of the restrictiveness of SEC rules. Based on a textual word count measure of restrictiveness, she finds that more restrictive SEC rules increase firm valuation. She additionally finds evidence that compliance is costly and delisting increases after increases in SEC regulation restrictiveness. These results are interpreted as the burdens of SEC regulations pushing out weaker companies from securities markets.

Relevant to this discussion are also studies that compare capital markets across countries. Countries with higher levels of investor protection, including mandatory disclosure requirements, are found to have more robust equity markets with higher valuations (La Porta, Lopez-de-Silanes, and Shleifer 1999; La Porta, Lopez-de-Silanes, Shleifer, and Vishny 1997; 2002). Although cross-country studies potentially confound many factors, one inference from these results is that

governmental intervention can facilitate access to equity markets, promote the development of capital markets, and ultimately lead to higher shareholder value.

Collectively, prior literature implies that (1) governmental intervention, particularly SEC regulation, has both costs and benefits, (2) the empirical determination of costs and benefits are sensitive to the setting and methodology, (3) costs and benefits do not impact to every firm identically, and (4) regulations likely entail externalities.

Prior literature on individual SEC regulations and FASB accounting standards

In comparison to studies that examine SEC regulation as a whole, there is an extensive set of research that examines individual regulations either as a setting for a certain research question or as an inquiry into the regulation itself.⁷ Among these studies, several have focused on changes in shareholder value from the adoption of SEC disclosure regulations. Appendix B lists prior studies that use an event study approach to examine the impact of SEC disclosure rules on shareholder value. The adoption of the Sarbanes-Oxley Act (SOX) and its provisions is a prominent example, and in particular, Li (2014) examines legislative events and the SEC disclosure rules that implement the provisions of SOX. Comparing cross-listed foreign private issuers (FPI) and FPI-free home country index returns, Li (2014) finds a negative shareholder reaction for most of the provisions and dates related to the adoption of SOX. On the other hand, Hoffman et al. (2018) examine stock market reactions to SEC and PCAOB regulatory changes that reduced the scope and requirements of firms' internal control over financial reporting (ICFR) and

⁷ For example, studies have examined the CEO pay ratio rule (Mueller, Ouimet, and Simintzi 2017; Rouen 2020), mine safety related disclosures (Christensen, Floyd, Liu and Maffett 2017), whistleblower related regulations (Bowen, Call, and Rajgopal 2010; Call, Martin, Sharp, and Wilde 2018), the adoption of XBRL (Bhattacharya, Cho, and Kim 2018; Blankespoor 2019; Blankespoor, Miller, and White 2014), the expansion of 8-K filings (Lerman and Livnat 2010; McMullin, Miller, and Twedt 2019; Noh, So, and Weber 2019), Risk factor disclosures (Beatty, Cheng, and Zhang 2019; Campbell, Chen, Dhaliwal, Lu, and Steele 2014), Regulation Fair Disclosure (Bailey, Li, Mao, and Zhong 2003; Bushee, Matsumoto, and Miller 2004; Heflin, Subramanyam, and Zhang 2003; Chen, Dhaliwal, and Xie 2010; Campbell, Twedt, and Whipple 2019), Regulation G (Black, Christensen, Joo, and Schmardebeck 2017; Heflin and Hsu 2008; Kolev, Marquardt, and McVay 2008), the adoption of EDGAR (Asthana, Balsam, and Sankaraguruswamy 2004, Griffin 2003), and segment reporting (Berger and Hann 2003, 2007; Cho 2015; Jayaraman and Wu 2019), among many.

conclude that investors reacted negatively to these event dates. Outside of SOX, Becker et al. (2013) examine the SEC's 2010 proxy access rule and the Business Roundtable's challenge to this rule. They find that firms with more institutional ownership, in particular activist institutions, had negative stock market reactions when the SEC announced that they would delay the implementation of the rule in light of the Business Roundtable challenge, which implies that the equity market views proxy access to add to shareholder value. Collectively, these studies on individual regulations suggest that it is not clear *ex ante* whether SEC disclosure rules will have a positive or negative effect on shareholder value or whether the shareholder reactions of one rule will generalize to other rules.

Khan et al. (2018) take a comprehensive approach to examining the shareholder effects of FASB accounting standards as a whole. With the stated purpose of overcoming the lack of an ideal setting of comparing FASB standards to a counterfactual where there are no mandatory accounting standards, they examine shareholder reactions to each individual accounting standard to address the question of how FASB standards affect shareholder value. They find that most FASB standards have no discernable effect on shareholder value, as 104 out of 138 standards do not exhibit a significant difference in abnormal returns between firms that are more affected by the standard and those that are less affected. They also further find evidence that in the cross-section, firms with higher levels of information asymmetry, lower contracting costs, and a decrease in estimation risk have more positive reactions to the adoption of FASB standards.

Although this approach addresses the question of how regulation affects shareholder value through a comprehensive examination of individual pieces of regulation, the focus of Khan et al. (2018) is on FASB accounting standards, rather than SEC regulations. Whether their results would generalize to regulations set by a different regulatory body, in particular the SEC, is ambiguous

given the differences between the two entities. As discussed in the introduction, the SEC differs from the FASB in two critical respects: (1) The SEC has the ability to more quickly respond to market conditions and events than the FASB, and (2) The role and scope of the SEC is broader than those of the FASB. The SEC can respond more quickly because the SEC has five commissioners from similar legal backgrounds appointed by the President, and up to three commissioners can be from one political party. This feature makes it more likely to come to a quicker consensus and also have a changing perspective of disclosure regulation across time. Furthermore, unlike the FASB, the SEC is less constrained by a conceptual framework and it follows a quicker due process timeline. As a reflection of this difference in ability to issue timely regulations, the average SEC rule spans across a period of 264 days from the earliest date to the final rule date, whereas for FASB accounting standards the period between the earliest date and the final date is 494 days.

With respect to scope, the SEC is the preeminent regulator of U.S. financial markets with the broad mission statement to protect investors. The scope of the SEC is vaster than the FASB, because it not only sets most of the rules that govern disclosure, but also enforces those rules. Furthermore, not only does the SEC regulate 15 of the 16 sections in the 10-K, but it also regulates multiple disclosures beyond financial statements.⁸ These differences can lead to substantial differences in the shareholder value implications of FASB and SEC regulations.

⁸ In contrast, the FASB focuses financial reporting standards focused on measuring economic transactions and reported in financial statements (i.e., Item 8 of Form 10-K).

CHAPTER 3

HYPOTHESIS DEVELOPMENT

At the market-wide level, disclosure regulations can be thought of as a response to market failures regarding the production of financial information (Pigou 1938; Kothari et al. 2010). Financial information is a public good, which can lead to underproduction (Coffee 1984). Disclosure regulations that mandate the disclosure of financial information can address this underproduction. Furthermore, the market failure from adverse selection is similar to the “lemons market” described by Akerlof (1970). Due to the information asymmetry between firms and investors, the market would break down as investors and firms exit the market due to the discounts imposed on firms from the lack of credible information. In addition, even without a market breakdown, the costs to signal credibility in their disclosures can be substantial. Disclosure regulations and enforcement can deter such a market failure by requiring firms to provide credible disclosures. If the SEC’s disclosure regulations adequately address market failures, this would lead to a more efficient allocation of capital, an increase in social welfare, higher demand for firm shares, and subsequently higher firm value. However, as SEC disclosure regulations follow a political process, in contrast to being shaped by market forces, it is unclear whether disclosure regulations will always fulfill its purpose, leaving the question of whether SEC disclosure rules will add firm value at a broad scale as an empirical question.

At the firm level, absent frictions or costs to disclosure, market forces will compel a firm to fully disclose information. The unraveling result (Grossman and Hart 1980) suggests that under certain conditions, managers with the objective of maximizing firm value will be incentivized to

voluntarily disclose all relevant information to distinguish themselves from managers with less favorable information (Beyer et al. 2010).⁹ As a result, all relevant and material information will be voluntarily disclosed to investors, and any governmental intervention will be unnecessary or even harmful because there is no further informational benefit to be gained (Coase 1960; Stigler 1964). Even when there are frictions or costs to disclosures that deter full disclosure, firms will make disclosures to maximize firm value within the given conditions. In this case, governmental intervention can impose additional constraints on firms and make these firms deviate from their optimal disclosure, negatively affecting the value of the firm (Khan et al. 2018). Firms directly incur costs to comply with regulations. The SEC frequently highlights these compliance costs to be significant and actively considers these costs in their rulemaking process. Proprietary costs can be incurred if the regulation requires the firm to disclose information that disadvantages the firm against its competitors and reduces the firm's competitiveness (Ali, Klasa, and Yeung 2014; Dye 2001; Huang, Jennings, and Yu 2017; Watts and Zimmerman 1986; Verrecchia 2001). Changes in regulations can also lead to contracting costs if firms have to recontract when regulations change the information disclosed by firms (Collins, Rozeff, and Dhaliwal 1981), especially because information regulated by the SEC can influence debt contracting (e.g., Costello and Wittenberg-Moerman 2011).

Nevertheless, if managers disclose sub-optimally due to informational and incentive problems, regulations that mitigate these obstacles and facilitate credible disclosures can be beneficial (Healy and Palepu 2001). Credible disclosure can improve governance over investment and compensation decisions, resulting in reduced agency costs and increased firm value (Wu and

⁹ The conditions are (1) disclosure is costless, (2) investors are aware that firms have private information, (3) all investors interpret firm disclosures efficiently and identically, (4) managers try to maximize firm value, (5) firms can credibly disclose private information, and (6) firms cannot commit ex-ante to a specific disclosure policy.

Zhang 2009; Biddle, Hilary, and Verdi 2009; Armstrong, Guay, and Weber 2010b; Ozkan, Singer, and You 2012; Marquardt and Zur 2015; McNichols and Stubben 2015). Similarly, credible disclosure can reduce information risk, which will reduce investors discount rates and therefore improve firm value (Botosan 1997; Francis, LaFond, Olsson, and Schipper 2004; Ng 2011; Muller, Riedl, and Sellhorn 2011; Barth, Konchitchki, and Landsman 2013). Beyond simply providing more information, regulation can also help reduce information acquisition costs that investors face (Bloomfield 2002; Hirshleifer and Teoh 2003). Various SEC regulations aim to reduce the complexity of disclosures and provide comparability across firms, which in turn should help investors better process information on the firm. This reduction in the cost of information processing would reduce the cost of investing, which in turn should increase firm value as well (Hwang and Kim 2017).

Given these various costs and benefits to disclosure regulation, how SEC disclosure rules will affect shareholder value is an empirical question. Managers trade off these costs and benefits when making disclosure decisions, and thus it is not clear whether it is beneficial for the SEC to step in and mandate disclosures. I state my hypothesis as follows:

Hypothesis: SEC final rules on disclosure significantly affect shareholder value.

CHAPTER 4

SEC RULES ON DISCLOSURE AND RESEARCH DESIGN

Selection of SEC rules on disclosure

The SEC oversees securities markets and creates regulations across the areas of corporate disclosures, enforcement of securities laws, and securities markets. As mentioned, SEC final rules are the regulations that are adopted to become a part of the system of governmental intervention over securities markets. The final rules cover a wide range of topics, including those on internal procedures (e.g., SEC Release no. 34-71238, Responsibilities of the General Counsel), securities exchanges (e.g., SEC Release no. 34-67457, Consolidated Audit Trail), securities (e.g., SEC Release no. 34-78321, Regulation SBSR – Reporting and Dissemination of Security-Based Swap Information), investment companies and advisors (e.g., SEC Release no. IC-33142, Investment Company Liquidity Disclosure), and disclosures. Among these rules, I focus on the rules that are relevant to disclosures.

I obtain the list of SEC final rules from the SEC website: <https://www.sec.gov/rules/final.shtml>. This website posts all SEC final rules from 1995 to the present and a selected set of rules from 1962 to 1994. During the sample period of 1992 to 2018, there are a total of 645 final rules.¹⁰ I examine this period as the final rules prior to 1992 available on the SEC website are less comprehensive. I manually read through the text of each final rule release to select those that are related to disclosure regulations. Unless specifically related to disclosure rules, I exclude rules that involve derivative securities, enforcement of regulations, SEC

¹⁰ For reference, there are 500 rule proposals from 1994 to 2018. There are fewer rule proposals compared to final rules because not all final rules are preceded by a rule proposal, and technical amendments and corrections are included in the list of final rules.

personnel issues, municipal securities, financial institutions – including broker-dealers, investment companies, investment advisors, and security exchanges – and other topics that are not related to disclosure. As a result, I end up with 141 final rules that are related to disclosure regulation, which is 21.86% of all final rules. The Online Appendix provides a list of the 141 rules related to disclosure that I consider in this study, along with a brief description of each rule.

For the event dates that are relevant for each rule, I select dates with an event that either increases or decreases the probability of the rule being issued or being amended. To identify these event dates, I read the text of each final rule to identify relevant event dates, including proposal dates, roundtable dates, extensions of comment periods, and other events. I examine the list of press releases issued by the SEC and identify those that explicitly mention the rule at hand. Finally, I examine other sources, such as news articles on Factiva, to find relevant dates, including dates related to court-rulings that vacate rules. I identify a total of 411 dates for 141 rules, which is an average of 2.91 dates for each rule. The average period between the earliest date, which is generally the proposal date, and the release of the final rule is 264 days including rules with only one date and 323 days excluding those rules. Each relevant date is also available in the Online Appendix.

I note that I examine only a subset of the SEC's regulatory actions. Even after focusing on the subset of disclosure related activities, in addition to creating and maintaining regulations, the SEC also conducts various activities to fulfill the purpose of ensuring meaningful corporate disclosures, including issuing interpretive guidance for firms, conducting various investor education functions, actively communicating with market participants, and enforcing disclosure related regulations. I focus on disclosure related regulations that have been issued by the SEC, while noting that other regulatory actions of the SEC may have further implications for firm value.

Research Design

To examine the effect of SEC disclosure rules on shareholder value, I conduct an event study on the dates relevant to the issuance of each final rule.¹¹ To capture the market reaction to the events, I examine two different measures of returns.

First, following prior research such as Armstrong et al. (2010a), Hoffman et al. (2020), Reid and Carcello (2017), and Zhang (2007), as a market-level measure of stock price reactions, I benchmark U.S. stock market index returns against the returns of an international index excluding U.S. firms as a measure of abnormal returns. As SEC regulations have the potential to impact the entire market of listed US firms, I examine the value-weighted market index returns from CRSP. I benchmark these returns to the returns of the MSCI World Index ex USA Index (hereafter World Index), obtained from Bloomberg, to construct a measure of abnormal returns because the US index returns not only capture reactions to SEC regulations but also the impact of other contemporaneous economic events. Benchmarking against the World Index is appropriate to the extent that this international benchmark captures contemporaneous economic events, and prior research suggests that US firms and foreign firms are exposed to common economic news (Eun and Shim 1989; Hamao, Masulis, and Ng 1990).

I calculate the cumulative abnormal returns in the [-1, 1] window of each event date, multiply -1 to the CAR of events that decrease the likelihood of the passage of the rule, and sum the CAR values for all of the events that are associated with the rule to obtain a CAR value for the rule. To assess significance, I calculate p-values using a bootstrapping approach. From a sample

¹¹ An alternative research design to address the research question is to examine the change in shareholder value when firms disclose the information regulated by the SEC rule. However, identifying the disclosure date and the form of the disclosure for each firm, incorporating the possibility that there is no comparable disclosure prior to the regulation, controlling for other confounding information that is simultaneously released, and measuring the market expectation for the disclosure raise issues that render this alternative research design intractable. Furthermore, my current design is comparable to that of prior studies which examine a similar research question through an event study, making the implications reasonably comparable (e.g., Khan et al. 2018).

of non-overlapping $[-1, 1]$ windows across the sample period of 1992 to 2018 after excluding all event dates, I randomly select N number of windows for rules with N number of events and sum the CAR of these windows. I generate a distribution of returns by repeating this process 1,000 times and compare the CAR of the rule to this distribution to obtain a measure of significance. I consolidate rules with perfectly overlapping dates into one rule in the analysis. As a result, I examine a total of 136 rules with this measure of returns.

Second, I also follow prior research that identifies the effect of regulations on shareholder value by comparing the stock price reaction to firms that are affected more by the regulation to those affected less (Becker et al. 2013; Khan et al. 2018). If investors assess the regulation to have an impact on firm value, then the share price of the firms that are affected more by the rule should reflect this impact more than the firms affected less by the rule, leading to a differential stock market reaction. For each rule, I identify the group of firms that are affected more by the regulation and those that are relatively less affected prior to the earliest event date associated with the rule. For instance, if the final rule lays out clear criteria for which firms are to be subject to the rule, firms that meet that criteria are classified as more affected firms to the extent that whether a firm meets that criteria is identifiable through traditional databases. For example, if a rule highlights a certain industry or size group as the firms that will be affected by the rule, firms in those groups are classified as more affected firms and those that are not are classified as less affected firms. For rules with criteria that are not identifiable through available databases, I rely on proxies that would arguably identify the group of firms that are more likely to be affected by the rule. For example, for rules that address issues regarding fraudulent financial reporting, I classify firms with a higher F-Score (Dechow, Ge, Larson, and Sloan 2011) to be more affected by the rule. To the extent that my classifications have measurement error, I expect my results to be biased towards suggesting

that each rule has no significant effect on shareholder value. The Online Appendix lists the criteria used to identify firms that are affected more by each rule. For 10 of the 141 rules, I am unable to identify reasonable criteria to distinguish firms that are more affected by the rule.

To obtain the measure of abnormal returns, I estimate the standard four-factor asset pricing model for each firm and year (Greenstone et al. 2006; Khan et al. 2018):

$$r_{it} - r_{ft} = \alpha_{it} + \beta_{1i}(r_{mt} - r_{ft}) + \beta_{2i}SMB_t + \beta_{3i}HML_t + \beta_{4i}UMD_t + \varepsilon_{it} \quad (1)$$

where r_{it} is the daily return for firm i , r_{ft} is the risk-free rate, and r_{mt} is the stock market return. SMB_t , HML_t , and UMD_t are each the Fama-French size, Fama-French book-to-market, and momentum factor. Using the parameters estimated from the previous year, I calculate daily abnormal returns as the estimated value of α_{it} . I cumulate this daily abnormal return value across the [-1, 1] window for each firm and event. After multiplying -1 to the CAR of events that decrease the probability of issuing the rule, I sum the CAR of all event dates for each rule to calculate the CAR of the rule for each firm. I conduct a t-test on the difference between the returns for firms that are affected more by the rule and those that are affected less. The result of this test is used to determine how the rule has affected shareholder value. Inferences are based on the assumption of unequal variance. Rules with perfectly overlapping dates and identical criteria are excluded, leading to a total of 129 rules for which this measure is available.

The market-level measure and the firm-level measure of investor reactions have differing strengths and limitations. First, the firm-level measure captures the effect of rules on the shareholder value of firms that are more affected by the rule. However, if the rule more broadly affects all firms in the U.S. market, or the value implications of the rule do not necessarily affect the firms that are the most affected by the rule (e.g., externalities), then the market-level measure will be more appropriate to capture this effect. Second, the market-level measure can potentially

capture other confounding economic events that are limited to the U.S. and not reflected in the World Index. On the other hand, the firm-level measure is based on firms listed in U.S. equity markets, and benchmarking against firms that are less affected by the rule should be more effective in removing any concurrent economic events. Given these advantages and shortcomings of each method, I take the approach of using both measures to observe the effect of SEC regulations.

The limitations of examining the effect of regulation on shareholder value based on short-window reactions is that the reactions are in expectation about the effect of the regulation. This shortcoming can be an issue if the primary impact of the rule is based on disclosing information about which investors do not have any prior information to formulate reliable expectations. This issue would bias against finding results and may lead to understating the economic impact of the SEC rules.

CHAPTER 5

DESCRIPTIVE STATISTICS AND MAIN RESULTS

Descriptive statistics on rules and aggregate market reactions

Table 2 presents descriptive statistics and aggregate market reactions on the disclosure related rules and that have been issued by the SEC during the period of 1992 to 2018. Panel A presents aggregate market reactions based on the measures of stock price reactions and several descriptive textual characteristics of the final rule text. The average SEC rule is associated with a 0.3% increase in shareholder value when benchmarked against international returns, but shareholder value is measured to decrease by -0.03% when comparing more affected firms to less affected firms. However, both mean values are not statistically different from zero. These results indicate that as a whole, SEC rules on disclosure do not change shareholder value, but this lack of change in value can be the result of many positive and negative rules cancelling out in the mean. As for the length of an SEC final rule, the average rule is 25,110 words long. I also report the mean proportion of restriction words, *shall*, *must*, *may not*, *required*, and *prohibited*, out of the total number of words, based on prior research that use these words to measure the level of restrictiveness in regulatory texts (Hribar et al. 2020; Wu 2020). 0.7% of the words in an average SEC final rule on disclosure are restriction words.

Panel B presents frequencies and mean values of stock price reactions by several classifications of the rules. First, I classify rules based on whether the rule increases or decreases the level of regulation. This category is determined based on the contents of the rule and how the regulations adopted in the rule are compared to existing regulations within the text. If the rule

establishes additional constraints, requires additional disclosures, or mandates a certain process, the rule is considered to be increasing regulation, whereas if the rule provides exemptions, eliminates requirements, or simplifies disclosures for the firm, the rule is considered to be decreasing regulation. Out of 141 rules, 60 rules are determined to increase and 50 are determined to decrease the level of regulation. 31 rules are either mixed or unclear. Although returns are relatively higher for rules associated with a decrease in regulation, this difference is not statistically significant. Furthermore, I also classify the rules depending on the party of the standing U.S. President, who appoints SEC commissioners. 72 disclosure rules were enacted under a Republican President and 69 were enacted under a Democratic President. Although the mean returns are higher for rules enacted under a Democratic President for both measures, this difference is also not statistically significant. Finally, I classify the rules depending on whether the rule was proposed following major market crises (defined as being proposed during the period of 2000-2003 and 2008-2011). The 57 rules that were proposed during this period are positive and significantly different from the firm-level returns of the 84 rules that were proposed in other periods. The market-level returns are not significantly different between the two periods.

Finally, Panel C presents the distribution of rules over time and the intertemporal variation in returns. The date of the rule is based on the earliest event relevant to the rule, which is typically a proposal. I also classify the rules into five categories based on the subject of disclosure: whether it is at the manager level, the firm level, the audit level, the security issuance level, or whether it is a technical rule.¹² From this panel, one can make several observations. First, the SEC rulemaking activity on disclosure tends to cluster in years subsequent to major financial crises such as the dot

¹² Although a Latent Dirichlet Allocation (LDA) analysis would be one alternative to classify rules based on its content, the number of documents (rules) are not sufficient to conduct a reliable analysis. The shortcoming of the small number documents is that it yields an incoherent classification of the rules.

com bubble, the accounting scandals of the early 2000s, and the financial crisis of 2007-2008. This result is not only associated with the SEC reacting to these major economic shocks, but also with the increase in rules that are enacted based on major pieces of legislation adopted by Congress, such as the Sarbanes-Oxley Act and the Dodd-Frank Act. The same conclusion can also be observed in Figure 1, which exhibits a clustering of the number of rules subsequent to major economic shocks. This clustering of rules is also mainly observed in rules that require disclosures at the audit level and the issuance level. Overall, we can observe that disclosures required at the firm level is the most prominent type of disclosure.

Benchmarking market index returns to MSCI World Index ex USA

As discussed, the market reaction to the adoption of SEC final rules on disclosure is on average insignificantly different from zero when abnormal returns are measured at the market-level. Table 3 presents the rules that have a significant effect on shareholder value at conventional levels, based on the market-level measure. A total of 15 rules have a significant impact on shareholder value, with eight rules having a positive impact and seven rules having a negative impact. Compared to a total of 136 rules examined, this translates to 11.03% significant rules, with 5.88% having a positive impact and 5.15% having a negative impact. This result suggests that a large number of SEC final rules on disclosure are a non-event to shareholders at the market-level benchmarked against the World Index.

Among the rules that are positively associated with shareholder value, the rules that have added the most shareholder value at the market level are (1) Adoption of Amendments to Form S-8 related Rules Under the Securities Act, and Regulations S-K and S-B (release no. 33-7646) with a CAR of 7.21%, (2) Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act (release no. 33-10075) with a CAR of 5.98%, (3) Disclosure of

Payments by Resource Extraction Issuers (release no. 34-78167) with a CAR of 5.64%, and (4) Delivery of Disclosure Documents to Households (release no. 33-7766) with a CAR of 4.42%.

On the other hand, the rules that decreased the most shareholder value at the market level are (1) Facilitating Shareholder Director Nominations (release no. 33-9136) with a CAR of -6.89%, (2) Disclosure of Proxy Voting Policies and Proxy Voting Records by Registered Management Investment Companies (release no. 33-8188) with a CAR of -6.48%, (3) Disclosure of Hedging by Employees, Officers and Directors (release no. 33-10593) with a CAR of -5.30%, and (4) Foreign Issuer Reporting Enhancements (release no. 33-8959) with a CAR of -4.86%.

Panel A of Table 5 presents the distribution of significant rules by disclosure subject, based on the market-level measure of stock price reactions. An untabulated chi-squared test and cross-sectional t-tests at the rule level provide evidence that there is no particular category that is significantly more positive or negative. Across all categories, the majority of rules are a non-event in terms of shareholder value.

Based on Table 3 and Panel A of Table 5, I offer several observations: First, as mentioned, the majority of SEC rules on disclosure do not affect shareholder value at the market-level. Second, among the ones that positively affect shareholder value, half were enacted in the 1990s, whereas most of the rules that negatively affected shareholder value were enacted around 2010. This difference suggests that there is intertemporal variation in the value implications of SEC rules. Third, there is no clear pattern in the distribution of categories based on subject of disclosure or the topic of the rule. Finally, the raw returns of the rules are at times substantially different from the value of CAR, indicating the importance of benchmarking returns to identify changes to shareholder value.

Benchmarking abnormal returns of more affected firms to less affected firms

The firm-level measure of market reaction calculated as the difference between the abnormal returns of firms that are more affected and those that are less affected is on average not significantly different from zero. Table 4 lists the rules that are significant at conventional levels when stock price reactions are measured at the firm-level. In contrast to the measure based on the market-level, 54 rules significantly affect shareholder value, with 21 rules positively affecting shareholder value and 33 rules negatively affecting shareholder value. Among the 129 rules that I examine with this measure, 41.86% of SEC disclosure related rules have a significant influence on shareholder value, with 16.28% having a positive effect and 25.58% having a negative effect. Not only are there more significant rules than when shareholder value is measured at the market level, but this proportion of significant rules is also higher compared to FASB standards as in Khan et al. (2018), who estimate that 34 out of 138 FASB standards (24.64%) significantly affect shareholder value. First, in comparison to the measure of shareholder returns at the market-level, there are more significant returns potentially because this measure focused on those that are affected instead of examining the entire market in aggregate, especially because the scope of many rules are limited to certain subset of firms. Second, in comparison to FASB standards, the disclosure related rules issued by the SEC have larger effects on shareholder value, even though on average both SEC rules and FASB standards do not change shareholder value. The larger effect of SEC rules can be because of the differences between the SEC and FASB discussed above, including the broader scope of jurisdiction, the larger role of the SEC, the ability to quickly issue regulation, and the legislation-based nature of the SEC rules.

Measured at the firm-level, the rules that affected shareholder value the most positively are (1) Disclosure of Payments by Resource Extraction Issuers (release no. 34-78167) with a CAR of

8.81%, (2) Commission Guidance and Revisions to the Cross-Border Tender Offer, Exchange Offer, Rights Offerings, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign Institutions (release no. 33-8957) with a CAR of 4.81%, (3) Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports (release no. 33-8238) with a CAR of 4.60%, and (4) International Disclosure Standards (release no. 34-41936) with a CAR of 4.53%.

On the other hand, the rules that negatively affected shareholder the most are (1) Disclosure of Payments by Resource Extraction Issuers (release no. 34-67717) with a CAR of -2.89%, (2) Disclosure Required by Sections 406 and 407 of the Sarbanes-Oxley Act of 2002 (release no. 33-8177) with a CAR of -2.86%, (3) Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers (release no. 33-8934) with a CAR of -2.50%, and (4) Certification of Disclosure in Companies' Quarterly and Annual Reports (release no. 33-8124) with a CAR of -2.15%.¹³

Panel B of Table 5 presents the distribution of significant rules by the subject of disclosure. A chi-squared test and cross-sectional t-tests at the rule level suggests that none of the categories are more positive or negative at a significant level. In general, for each category roughly 40% of the rules have a significant impact on shareholder value, although the number of significant rules is lower for audit-level rules and manager-related rules. In addition, among the audit-level rules, the ones with a significant impact on shareholder value have mostly a negative effect on firm value.

Aside from the number of rules that are significant, I offer several additional observations. First, the market reaction based on the firm-level measure suggests that around half the time, SEC

¹³ I note that the rule with the title "Disclosure of Payments by Resource Extraction Issuers" and a significantly positive reaction is the adoption of a modified version of the rule with the identical name but a negative reaction. This adoption is because the rule with the negative reaction was vacated by the D.C. District Court on July 2, 2013.

disclosure rules are an event that significantly affects shareholder value for the firms under the scope of the rule. Among these rules, over half are associated with a negative reaction. Second, among the positive rules, there are several rules related to the issuance of small firms, several related to proxy delivery, and mining related rules, while among the negative rules are several rules related to insider trading and proxy access. However, there is no significant difference in positive and negative rules across categories. Finally, the returns of more affected firms are not always directionally consistent with the difference in CAR between more affected and less affected firms, emphasizing the importance of appropriately benchmarking returns to isolate the effect of the rule.

Finally, as a validation of my research design, I compare my results to those of the prior individual rule-level studies listed in Appendix B. To my knowledge, 25 rules have been examined in prior studies that use an event study approach, which accounts for 17.73% out of all SEC final rules on disclosure, and the rules that have been examined in prior literature accounts for 23.05% (33.10%) of the total market movement based on my market-level (firm-level) measure. This suggests that the shareholder value implications of a large number of final rules have subsequently been unexplored and thus validates the need for my comprehensive approach. Furthermore, I find stock market reaction in the same direction as these prior studies in 20 of the 25 cases. This validates that my “one size fits all” research design approach yields similar inferences as those in studies that were specifically designed to assess the valuation effects of individual standards.

CHAPTER 6

ADDITIONAL TESTS

Absolute returns of more affected firms compared to less affected firms

The main tests ask the question of whether SEC disclosure rules affect shareholder value. One shortcoming of both measures of changes in shareholder value is that the effect on individual firms are combined into the mean of the entire market or the group of affected firms. In other words, for some rules that have no significant effect on shareholder value at the firm-level (as well as the market-level), there might have actually been an effect on the shareholder value of individual firms, but the rule has a positive effect on some and a negative effect on others, averaging out to zero. To address this situation, particularly in the firm-level measure, I further examine the subset of rules that have no significant effect on shareholder value. In this group of rules, I measure whether the mean of absolute returns is higher for firms that are more affected by the rule than that of firms that are less affected by the rule. Higher absolute returns for more affected firms would imply that the returns in the group of more affected firms have both more frequent or larger positive and negative values that offset each other compared to the group of less affected firms. This test should help identify rules where there is an effect on shareholder value, but this effect has both a positive and negative effect on the firms that are more affected by the rule (i.e., rules that have “winners” and “losers”). Furthermore, another interpretation of this test is that the rules that create more of a differentiating reaction within the group of affected firms are rules that are expected to provide information that distinguishes firms of a good type and a bad type that are pooling

together.¹⁴ This effect is consistent with an improvement in the efficient allocation of resources in the capital market.

Table 6 tabulates the rules where there is a significantly larger absolute stock price reaction for the group of more affected firms than less affected firms. Among the 75 rules that did not have a significant market reaction based on the firm-level measure, 25 rules did have a significantly larger absolute stock price reaction for firms that are more affected. This result indicates that indeed some rules did have an impact on shareholder value but affected shareholder values both positively and negatively. Among these rules, notably, are rules on the internal control over financial reporting, compensation related rules, proxy delivery related rules, and rules on the expansion of 8-K reporting.

In combination with the results of the firm-level measure of stock price reaction, this implies that among 129 rules, 16.28% of the rules (21 rules) positively affect shareholder value, and 25.58% (33 rules) negatively affect shareholder value, and 19.38% (25 rules) have a higher reaction in terms of absolute returns. In sum, 61.24% of the rules having a significant impact on shareholder value. This result is notable, as Khan et al. (2018) show that the proportion of FASB standards that significantly change value is only 24.64%. This difference is potentially consistent with the differences in disclosure type and regulator composition resulting in the SEC issuing more impactful regulations.

Comparison of more affected firm characteristics

To shed light on the reasons why certain rules are positively associated with shareholder value and others are negatively associated, I conduct an additional test focusing on the firms that

¹⁴ Although the event study methodology examines investors' expectations, and information that reveals the type of a firm may not be available to the investors *ex ante*, this interpretation is still valid for two reasons. First, the enactment of the rule would shorten the timeline for investors to act on any potential imperfect information that would indicate the type of the firm. Second, this would still be a reasonable activity of the marginal investor as long as the act on the imperfect information is correct more often than not.

are affected by the rules. Based on the firm-level measure, I compare characteristics of firms that are more affected by rules that have a significantly positive shareholder impact to firms that are more affected by rules that have a significantly negative effect on shareholder value. Through this test, one can make observations about the types of firms that are targeted by rules that increase or decrease shareholder value.

Specifically, I conduct a t-test to compare the mean values of firm characteristics between firms that are positively affected and those that are negatively affected. The firm characteristics that I examine are based on the potential costs and benefits associated with the impact of regulation on shareholder value. First, to proxy for agency costs, I compare an indicator for efficient investment, the level of investment, the F-score (Dechow et al. 2011), the level of institutional ownership (Shleifer and Vishny 1997), and the dividend payout ratio (Kumar 1988). I also examine the level of free cash flows as a proxy of agency costs, but also note that the level of free cash flows can also be a proxy for the life cycle stage of the firm. Second, I examine the book-to-market ratio, leverage, Tobin's Q, and profitability (return on assets) as contracting costs. I also examine accruals (as defined in Richardson, Sloan, Soliman, and Tuna 2005) as a proxy of contracting costs and disclosure complexity. I examine change in profitability, 10-K length, and sales growth as proxies of disclosure complexity. Size is examined as a proxy of both disclosure complexity and information asymmetry. I examine bid-ask spreads, return volatility, and idiosyncratic volatility as additional proxies of information asymmetry. Finally, I examine the number of firms in the 3-digit SIC industry and the Herfindahl index as proxies of proprietary costs. Detailed variable definitions are provided in Appendix A.

Table 7 presents the results of these t-tests. First, regarding the proxies of proprietary costs, rules that decrease shareholder value on average affect firms with lower Herfindahl indexes and a

higher number of firms within the industry, indicating that rules which target firms with higher competition tend to decrease shareholder value. Second, regarding the proxies of information asymmetry, rules that increase shareholder value tend to affect firms that are smaller in size, have higher bid-ask spreads, and have higher return volatility and idiosyncratic volatility. This result implies that rules that increase shareholder value generally target firms with higher information asymmetry. Third, as for agency costs, firms that are targeted by rules with positive reactions tend to have less investment, a lower likelihood of efficient investment, and lower institutional ownership, collectively implying that rules that positively affect shareholder value target firms with relatively higher agency costs. Although rules with positive shareholder impact tend to target firms with a lower level of free cash flows, this result is more likely to reflect smaller firms in earlier life cycle stages, as reflected in the comparison of size. Fourth, as for the proxies for contracting costs, rules that have positive shareholder value implications tend to target firms with less accruals, indicating that positive rules tend to target firms with lower contracting costs. However, positive rules also tend to target firms with lower profitability, which is inconsistent with the argument of contracting costs. Finally, as for the proxies of disclosure quality, firms targeted by positive rules tend to have lower sales growth, less accruals, and a smaller size, which would indicate that rules with a negative impact on shareholder value tend to target more complex firms. However, 10-K length is shorter for these firms, which is in contrast with this interpretation. Overall, rules that have positive value implications tend to target firms with lower proprietary costs, higher agency costs, and higher information asymmetry.

CHAPTER 7

CONCLUSION

The Securities and Exchange Commission (SEC) states that, to fulfill its mission of protecting investors and establishing confidence in capital markets, it is imperative that firms maintain a steady flow of timely, comprehensive, and accurate disclosure. As a result, the SEC regulates corporate disclosures. In this study, I examine whether and to what extent the SEC's final rules on disclosure affect shareholder value. Through a comprehensive event study of 141 SEC disclosure rules, I find that SEC rules on average have no directional effect on firm value. However, approximately 61% of SEC final rules generate significant (directional and absolute) stock price reactions. I find that disclosure rules are more likely to generate positive returns when they are enacted following periods of macroeconomic uncertainty (e.g., Enron/WorldCom frauds, financial crisis of 2008), as well as when they target firms with high information asymmetry, high agency costs, and low proprietary costs. Overall, my results suggest that the majority of SEC disclosure regulation affects firm value, but its directional effect on stock prices is neutral. Furthermore, any positive effects on firm value depend on macroeconomic and firm-specific characteristics.

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APPENDIX A VARIABLE DEFINITION

Variable	Definition	Source
Market-level CAR	Cumulated Abnormal Returns calculated as market index returns benchmarked against the MCSI World Index ex USA. Value weighted US market index returns and the MSCI World Index ex USA returns are cumulated over the [-1, 1] window of each event related to the rule, and the difference is the market-level CAR.	CRSP, Bloomberg
Firm-level CAR	Cumulated Abnormal Returns calculated as the abnormal returns of more affected firms benchmarked against the abnormal returns of less affected firms. The alpha from a four-factor model is calculated based on daily returns for all [-1,1] windows of event dates relevant to a rule and summed across all dates. The mean of these returns for more affected firms are differenced by those of less affected firms.	CRSP, Kenneth French's Website
10-K Length	Number of words in most recent 10-K	Bill McDonald's Website
Accruals (RSST)	Accruals as calculated in Richardson et al. 2005. Sum of change in non-cash working capital, change in net non-current operating assets, and change in net financial assets, scaled by total assets. Working capital is calculated as (current assets - cash and short-term investments) - (current liabilities - debt in current liabilities). NCO is calculated as (total assets - current assets - investments and advances) - (total liabilities - current liabilities). FIN is calculated as (short-term investments + long-term investments) - (long-term debt + debt in current liabilities) + preferred stock.	Compustat
Bid-Ask Spread	Mean bid-ask spread over previous calendar year	CRSP
Book-to-Market	Book value of equity over the market value of equity at the most recent fiscal year end	Compustat
Change in Profitability	Percentage change in profitability	Compustat
Dividend Payout	Dividends for common stock and preferred stock over net income. This value is set to 0 if net income is non-positive.	Compustat
Efficient Investment	Indicator that equals zero if the firm is inefficiently investing, where inefficient investment is when the firm is in the top three deciles of investment but in the lowest three deciles of Tobin's Q or when the firm is in the lowest three deciles of investment but in the top three deciles of Tobin's Q.	Compustat
F-Score	F-score, based on estimations of Model 1 in Dechow et al. (2011)	Compustat
Free Cash Flow	Operating cash flows minus capital expenditure, scaled by lagged assets	Compustat
Herfindahl Index	Herfindahl index (sum of squared sales over market size) by 3-digit SIC industry	Compustat
Idiosyncratic Volatility	Standard deviation of abnormal returns over 90 day window prior to earliest date, where abnormal returns are calculated as the alpha from the four factor model as in equation (1)	CRSP, Kenneth French's Website
Institutional Ownership	Percentage of institutional ownership	WRDS Thomson Reuters Stock Ownership
Investment	R&D expenses plus capital expenditures plus Acquisitions minus sale of pp&e, scaled by lagged total assets	Compustat
Leverage	Total liabilities over total assets	Compustat
Number of Firms	Number of firms in the same 3-digit SIC industry	Compustat
Profitability (ROA)	Income before extraordinary items over average total assets	Compustat
Return Volatility	Standard deviation of returns over 90 day window prior to earliest date	CRSP
Sales Growth	% change in most recent annual revenue	Compustat
Size	Log value of market capitalization at most recent fiscal year end	Compustat
Tobin's Q	Sum of market value of equity and book value of total liabilities over total assets	Compustat

APPENDIX B

PRIOR STUDIES ON CHANGES IN SHAREHOLDER VALUE (EVENT STUDIES) FROM SEC DISCLOSURE RULES

This table presents a table of prior studies that examine market reactions to SEC disclosure rules with an event study methodology.

Release No.	Final Rule Date	Final Rule Name	Prior Studies	
34-78167	27-Jun-16	Disclosure of Payments by Resource Extraction Issuers	Baudot, Huang, and Wallace (2020) finds a positive reaction for firms in extraction industries (positive reaction for all relevant dates). Hombach and Sellhorn (2019) find a negative reaction for extraction firms.	Partially consistent
34-67716	22-Aug-12	Conflict Minerals	Baudot, Huang, and Wallace (2020) find no significant reaction (on final rule date) for firms in potentially affected industries (negative reaction for all relevant dates). Elayan, Brown, Li, and Chen (2019) find a negative reaction especially for firms that use 3GT minerals.	Partially consistent
34-67717	22-Aug-12	Disclosure of Payments by Resource Extraction Issuers	Baudot, Huang, and Wallace (2020) find a positive reaction for firms in extraction industries (positive reaction for all relevant dates). Hombach and Sellhorn (2019) find a negative reaction for extraction firms.	Partially consistent
34-64545	25-May-11	Implementation of the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934	Baloria, Marquardt, and Wiedman (2017) finds a positive reaction for firms that lobbied against the implementation of the whistleblower program.	Inconsistent
33-9136	25-Aug-10	Facilitating Shareholder Director Nominations	Becker, Bergstresser, and Subramanian (2013) find a positive reaction for firms with more (activist) institutional ownership. Akyol, Lim, and Verwijmeren (2012) find a negative reaction at the market level. Larcker, Ormazabal, and Taylor (2011) find no significant reaction with adjusted returns on the proposal date.	Partially consistent
33-9002	30-Jan-09	Interactive Data to Improve Financial Reporting	Chen, Wang, and Zhou (2018) find positive reaction at the market level.	Inconsistent with no significance on my measure
33-8934	26-Jun-08	Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	Hoffman, Campbell, and Smith (2020) find a negative reaction at the market level on dates related to reduction in scope of the rule.	Consistent and significant
33-8879	21-Dec-07	Acceptance From Foreign Private Issuers of Financial Statements Prepared in Accordance With International Financial Reporting Standards Without Reconciliation to U.S. GAAP	Chen and Khurana (2015) find a positive reaction for IFRS reporting cross-listed firms. Prather-Kinsey and Tanyi (2014) find a positive reaction for IFRS-reporting ADR firms and negative reaction for GAAP-reporting ADR firms.	Inconsistent with no significance on my measure
33-8829	3-Aug-07	Definition of the Term Significant Deficiency	Hoffman, Campbell, and Smith (2020) find a negative reaction at the market level on dates related to reduction in scope of the rule.	Consistent and significant
33-8618	22-Sep-05	Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports of Companies that Are Not Accelerated Filers	Espahbodi and Espahbodi (2019) find a negative reaction for non-accelerated firms and accelerated firms (compared to large accelerated firms). Hoffman, Campbell, and Smith (2020) find no reaction on the proposal dates at the market-level.	Partially consistent
33-8545	2-Mar-05	Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports of Non-Accelerated Filers and Foreign Private Issuers; Extension of compliance dates	Iliev (2010) finds a negative reaction on the final rule date for firms around the rule threshold that file management reports.	Inconsistent with no significance on my measure

33-8507	17-Nov-04	Temporary Postponement of the Final Phase-In Period for Acceleration of Periodic Report Filing Dates	Iliev (2010) finds a mixed reaction for firms around the rule threshold that file management reports.	Inconsistent
33-8392	24-Feb-04	Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	Espahbodi and Espahbodi (2019) find a negative reaction for non-accelerated firms and accelerated firms (compared to large accelerated firms). Iliev (2010) finds a positive reaction for firms around the rule threshold that file management reports.	Inconsistent with no significance on my measure
33-8238	5-Jun-03	Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	Espahbodi and Espahbodi (2019) find a positive reaction for non-accelerated firms and accelerated firms (compared to large accelerated firms). Iliev (2010) finds a positive reaction for firms around the rule threshold that file management reports. Li (2014) find a positive reaction for cross-listed foreign private issuers (negative for all SOX adoption dates).	Consistent and significant
34-47890	20-May-03	Improper Influence on Conduct of Audits	Li (2014) finds a mixed reaction for cross-listed foreign private issuers (negative for all SOX adoption dates)	Inconsistent with no significance on my measure
33-8230	7-May-03	Mandated Electronic Filing and Website Posting for Forms 3, 4 and 5	Li (2014) finds a negative reaction for cross-listed foreign private issuers (negative for all SOX adoption dates).	Consistent and significant
33-8220	9-Apr-03	Standards Relating to Listed Company Audit Committees	Li (2014) finds a positive reaction for cross-listed foreign private issuers (negative for all SOX adoption dates).	Consistent and significant
33-8182	28-Jan-03	Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations	Li (2014) finds a mixed reaction for cross-listed foreign private issuers (negative for all SOX adoption dates).	Partially consistent
33-8177	23-Jan-03	Disclosure Required by Sections 406 and 407 of the Sarbanes-Oxley Act of 2002	Garner, Hutchinson, and Conover (2016) finds a negative reaction for foreign private issuers subject to the regulation. Li (2014) finds a mixed reaction for cross-listed foreign private issuers (negative for all SOX adoption dates). Litvak (2007) finds a negative reaction on the proposal date for cross-listed foreign private issuers that were subject to SOX, compared to those exempt from SOX (negative for all SOX adoption dates).	Consistent and significant
33-8176	22-Jan-03	Conditions for Use of Non-GAAP Financial Measures	Li (2014) finds a mixed reaction for cross-listed foreign private issuers (negative for all SOX adoption dates).	Consistent and significant
34-47225	22-Jan-03	Insider Trades During Pension Fund Blackout Periods	Li (2014) finds a mixed reaction for cross-listed foreign private issuers (negative for all SOX adoption dates).	Inconsistent
33-8124	29-Aug-02	Certification of Disclosure in Companies' Quarterly and Annual Reports	Griffin and Lont (2005) find higher unsinged (standardized) excess returns on event dates of certification. Hirtle (2006) finds a positive reaction for bank holding companies subject to certification requirements. Li (2014) finds a negative reaction for cross-listed foreign private issuers (negative for all SOX adoption dates). Litvak (2007) finds a negative reaction for cross-listed foreign private issuers that were subject to SOX, compared to those exempt from SOX (negative for all SOX adoption dates).	Partially consistent
34-46421	27-Aug-02	Ownership Reports and Trading by Officers, Directors and Principal Security Holders	Li (2014) finds a mixed reaction for cross-listed foreign private issuers (negative for all SOX adoption dates)	Inconsistent with no significance on my measure
33-7881	15-Aug-00	Selective Disclosure and Insider Trading	Irani and Karamanou (2004) find a positive reaction with adjusted retruns.	Inconsistent with no significance on my measure
33-7032	22-Nov-93	Executive Compensation Disclosure; Securityholder Lists and Mailing Requests	Lo (2003) finds a positive reaction for firms that lobbied against the rule.	Consistent and significant

*Akhigbe and Martin (2006), Jain and Rezaee (2006), Li, Pincus, and Rego (2008), and Zhang (2007) primarily examine the dates related to the legislative process of the SOX. Hochberg, Sapienza, and Vissing-Jorgensen (2008) do not disaggregate returns by specific date/rule.

FIGURE 1
PLOT OF MARKET-LEVEL MEASURE OF STOCK PRICE REACTIONS TO SEC
DISCLOSURE RULES BY TIME

This figure is a plot of the market-level measure of stock price reactions to SEC disclosure rules by time. These reactions are calculated as the difference between the cumulative CRSP value weighted market index and the cumulative MSCI World Index ex USA. The returns percentages are on the y-axis and time is on the x-axis with a horizontal line of zero returns in the plot.

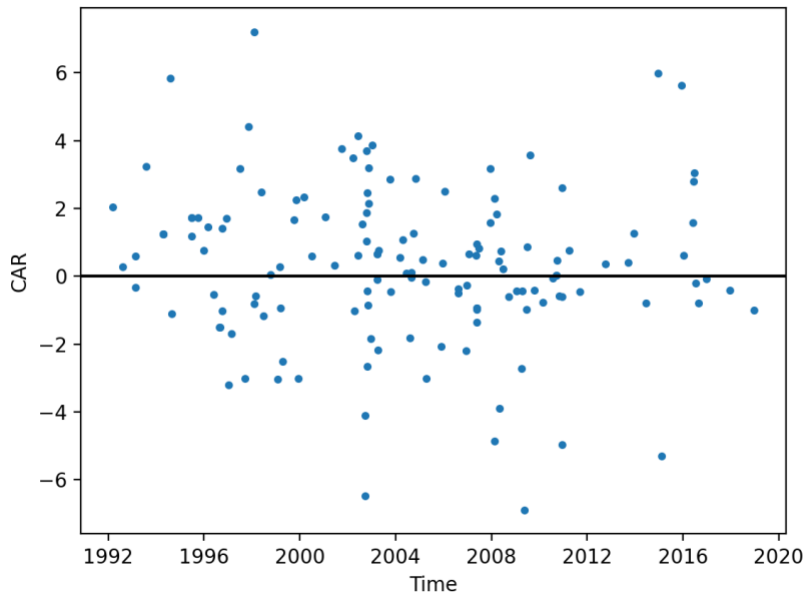


FIGURE 2
PLOT OF FIRM-LEVEL MEASURE OF STOCK PRICE REACTION TO SEC DISCLOSURE RULES BY TIME

This figure is a plot of the firm-level measure of stock price reactions to SEC disclosure rules by time. These reactions are calculated as the difference in the cumulative abnormal returns based on a four-factor model between firms that are more affected by the rule and firms that are less affected by the rule. The returns in percentages are on the y-axis and time is on the x-axis with a horizontal line of zero returns in the plot.

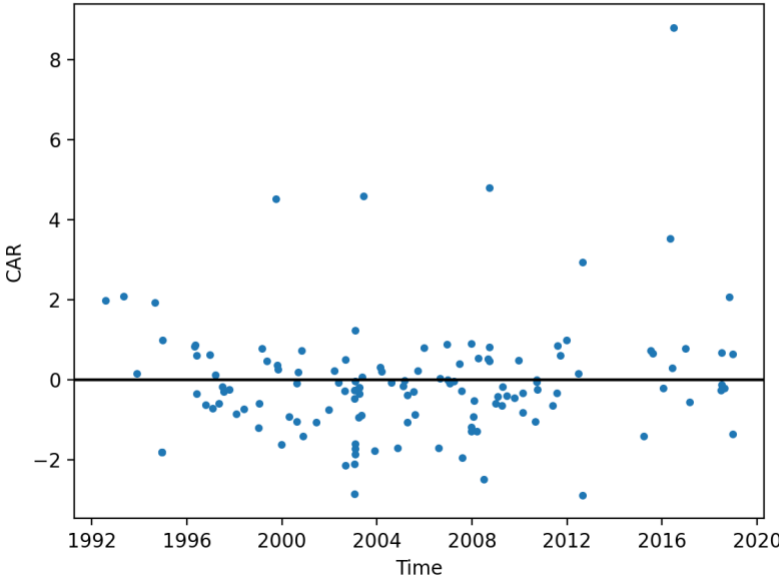


TABLE 1
RULE SELECTION

This table presents the process of selecting SEC final rules on disclosures issued during the period of 1992 to 2018. The final number of rules that I examine differ depending on the measure of market reaction. The initial list of rules is obtained from the SEC website. I identify rules related to disclosure by manually reading through the contents of the rules.

	Count
SEC Final Rules passed during the period of 1992 - 2018	645
Less: Final Rules not related to disclosure	(504)
SEC Final Rules related to disclosure	141
Less: Rules with completely overlapping dates	(5)
SEC Final Rules for returns benchmarked to MSCI World ex USA Index	136
Add: Rules with overlapping dates but different set of affected firms	3
Less: Rules without clear criteria for more affected firms	(10)
SEC Final Rules for returns based on more/less affected firms	129

TABLE 2
DESCRIPTIVE STATISTICS AND AGGREGATE STOCK PRICE REACTIONS ON SEC DISCLOSURE RULES

This table presents several descriptive statistics and aggregate stock price reactions on SEC disclosure rules. Panel A presents the aggregate stock price reaction to SEC disclosure rules and summary statistics on several textual characteristics of the final rule text. The p-value is the significance of a t-test of whether the returns are different from zero. Panel B presents the market-level and the firm-level measures of stock price reactions by the categories of regulation increasing/decreasing, the political party of the chairman of the SEC, and whether the rule was proposed subsequent to a major economic crisis. Panel C presents the distribution of SEC disclosure rules by the year of earliest event date, average market reactions, and disclosure-level classification. Variable definitions are in Appendix A.

PANEL A AGGREGATE MARKET REACTIONS AND TEXTUAL CHARACTERISTICS

	N	Mean	Median	Standard Deviation	T-test p-value
Measures of market reaction					
CAR (Market-level) (%)	136	0.30	0.30	2.33	0.1351
CAR (Firm-level) (%)	129	-0.03	-0.19	1.49	0.8352
Final rule textual characteristics					
Length of final rule (# of words)	141	25,110	14,164	30,928	
Proportion of restriction words (%)	141	0.70	0.68	0.29	

PANEL B CATEGORIES OF SEC DISCLOSURE RULES

	N	CAR (Market-level) (%)	CAR (Firm-level) (%)
Regulation increasing/decreasing			
Increase	60	0.19	-0.09
Unclear/Mixed	31	0.14	0.00
Decrease	50	0.59	-0.07
Political Party of the Chairman			
Republican	72	0.24	-0.21
Democratic	69	0.41	0.12
Rules proposed following major market crisis			
Post crisis	57	0.15	0.28*
Not post crisis	84	0.43	-0.16

PANEL C DISTRIBUTION OF SEC DISCLOSURE RULES BY YEAR OF EARLIEST DATE,
AVERAGE STOCK PRICE REACTION, AND CLASSIFICATION

Year	Frequency	CAR (market- level) (%)	CAR (firm- level) (%)	Disclosure-level classification				
				Audit	Firm	Issuance/ Process	Manager	Technical
1992	2	1.16	2.03	0	0	2	0	0
1993	3	1.17	1.03	0	2	0	1	0
1994	5	1.69	-1.20	0	4	0	1	0
1995	5	1.43	0.09	0	2	3	0	0
1996	7	0.00	-0.14	1	4	2	0	0
1997	5	-0.06	-0.48	0	3	2	0	0
1998	6	1.20	-0.02	0	2	4	0	0
1999	7	-0.76	0.45	1	6	0	0	0
2000	2	1.47	-1.17	1	1	0	0	0
2001	3	1.95	-0.63	0	1	0	1	1
2002	17	0.40	-0.44	7	7	0	3	0
2003	8	0.76	-0.53	2	2	0	1	3
2004	8	0.52	-0.42	0	4	3	0	1
2005	5	-0.87	-0.06	2	1	1	1	0
2006	5	-0.16	-0.08	3	0	0	2	0
2007	10	0.36	-0.78	2	5	3	0	0
2008	8	-0.47	0.65	0	4	2	0	2
2009	8	-0.93	-0.21	1	2	0	1	4
2010	9	-0.42	-0.09	2	6	0	0	1
2011	2	0.16	0.38	0	1	0	1	0
2012	1	0.37	2.07	0	1	0	0	0
2013	2	0.85	-0.38	0	0	1	1	0
2014	2	2.60	2.13	0	1	1	0	0
2015	2	0.17	4.72	0	1	0	1	0
2016	7	1.00	0.09	0	4	2	0	1
2017	1	-0.41	-0.27	0	1	0	0	0
2018	1	-0.99	-1.37	0	0	1	0	0
Total				22	65	27	14	13

TABLE 3

LIST OF SEC DISCLOSURE RULES WITH SIGNIFICANT RETURNS BASED ON MARKET-LEVEL MEASURE OF STOCK PRICE REACTIONS

This table presents the list of rules that have a significant effect on shareholder value based on the market-level measure of stock price reactions. These reactions are calculated as the difference between the cumulative CRSP value weighted market index and the cumulative MSCI World Index ex USA. The significance is calculated based on a bootstrapped sample of non-event dates. Variable definitions are in Appendix A.

Release No.	Earliest Event Date	Final Rule Date	# of event dates	Final Rule Name	Classification	Topic	Total words	Proportion of restriction words (%)	Event Raw Returns (%)	Event Index Returns (%)	CAR (%)	p-value of CAR
Positive Returns												
33-8070	18-Mar-02	18-Mar-02	2	Requirements for Arthur Andersen LLP Auditing Clients	Audit	Other - AA	33,131	0.99	3.05	-0.46	3.50	0.0380
34-40934	1-Jul-97	12-Jan-99	2	Rulemaking for EDGAR System	Firm	EDGAR/XBRL	7,170	0.49	-1.19	-4.37	3.17	0.0500
34-78167	11-Dec-15	27-Jun-16	4	Disclosure of Payments by Resource Extraction Issuers	Firm	Mining/Resource extraction	88,544	0.67	-4.32	-9.96	5.64	0.0330
33-7766	13-Nov-97	5-Nov-99	2	Delivery of Disclosure Documents to Households	Firm	Proxy	9,736	0.74	2.07	-2.35	4.42	0.0220
33-7646	9-Feb-98	26-Feb-99	6	Adoption of Amendments to Form S-8 related Rules Under the Securities Act, and Regulations S-K and S-B	Issuance /Process	Compensatory issuance	17,127	0.53	5.49	-1.72	7.21	0.0240
33-10075	17-Dec-14	3-May-16	3	Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act	Issuance /Process	Small firms	21,830	0.36	7.49	1.51	5.98	0.0170
33-7032	6-Aug-93	22-Nov-93	2	Executive Compensation Disclosure; Securityholder Lists and Mailing Requests	Manager	Compensation	4,906	0.63	-0.27	-3.51	3.24	0.0480
33-9250	18-Aug-09	8-Aug-11	2	Technical Amendments to Commission Rules and Forms Related to the FASB's Accounting Standards Codification	Technical	Technical	6,595	0.11	-2.93	-6.51	3.58	0.0380
Negative Returns												
33-8128A	8-Apr-03	8-Apr-03	1	Acceleration of Periodic Report Filing Dates and Disclosure Concerning Website Access to Reports	Firm	Accelerated filing	1,129	0.53	-1.12	1.05	-2.18	0.9541
33-8959	13-Feb-08	23-Sep-08	4	Foreign Issuer Reporting Enhancements	Firm	Foreign Firms	32,870	1.00	-5.50	-0.65	-4.86	0.9550
33-8957	6-May-08	19-Sep-08	2	Commission Guidance and Revisions to the Cross-Border Tender Offer, Exchange Offer, Rights Offerings, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign Institutions	Firm	Foreign Firms	54,627	0.56	4.33	8.22	-3.88	0.9650
33-9136	20-May-09	25-Aug-10	9	Facilitating Shareholder Director Nominations	Firm	Proxy	156,713	0.57	-6.01	0.88	-6.89	0.9580
33-8188	19-Sep-02	31-Jan-03	4	Disclosure of Proxy Voting Policies and Proxy Voting Records by Registered Management Investment Companies	Firm	Proxy	26,352	0.68	-4.78	1.70	-6.48	0.9800
33-10593	9-Feb-15	20-Dec-18	3	Disclosure of Hedging by Employees, Officers and Directors	Manager	Compensation	29,508	0.61	-8.57	-3.27	-5.30	0.9860
33-9002a	1-Apr-09	1-Apr-09	1	Interactive Data to Improve Financial Reporting	Technical	Technical	3,591	1.00	6.32	9.04	-2.73	0.9751

TABLE 4
LIST OF SEC DISCLOSURE RULES WITH SIGNIFICANT RETURNS BASED ON FIRM-LEVEL MEASURE OF STOCK PRICE REACTIONS

This table presents the list of rules that have a significant effect on shareholder value based on the firm-level measure of stock price reactions. These reactions are calculated as the difference in the cumulative abnormal returns based on a four-factor model between firms that are more affected by the rule and firms that are less affected by the rule. The significance in difference is based on a t-test between these two group of firms. Variable definitions are in Appendix A.

Release No.	Earliest Event Date	Final Rule Date	# of event dates	Final Rule Name	Classification	Topic	Total words	Proportion of restriction words (%)	# of unaffected firms	# of Affected firms	Unaffected Firm Returns (%)	Affected Firm Returns (%)	CAR (%)	P-value
Positive Returns														
33-8238	16-Oct-02	5-Jun-03	4	Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	Audit	ICFR	39,755	0.96	2,621	2,340	1.84	6.43	4.60	0.0000
33-8644	25-Aug-04	21-Dec-05	6	Revisions To Accelerated Filer Definition And Accelerated Deadlines For Filing Periodic Reports	Firm	Accelerated filing	21,515	0.34	3,847	1,807	-0.51	0.29	0.80	0.0025
33-8182	30-Oct-02	28-Jan-03	4	Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations	Firm	Additional Information	24,796	0.85	1,525	1,493	0.77	2.00	1.23	0.0463
33-7072	23-Feb-93	1-Sep-94	3	Rulemaking for EDGAR System: Financial Data Schedules	Firm	EDGAR /XBRL	4,813	0.87	2,880	2,522	-0.03	1.90	1.94	0.0000
33-7122	23-Feb-93	19-Dec-94	2	Rulemaking for EDGAR System	Firm	EDGAR /XBRL	20,577	0.84	2,843	2,446	0.23	1.22	0.99	0.0010
34-75388	20-Jun-14	8-Jul-15	2	Freedom of Information Act Regulations: Fee Schedule, Addition of Appeals Time Frame, and Miscellaneous	Firm	FOIA	3,628	0.44	1,667	1,965	-0.66	0.07	0.73	0.0001
33-8957	6-May-08	19-Sep-08	2	Administrative Changes Commission Guidance and Revisions to the Cross-Border Tender Offer, Exchange Offer, Rights Offerings, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign	Firm	Foreign Firms	54,627	0.56	5,756	770	2.64	7.44	4.81	0.0000
34-41936	2-Feb-99	28-Sep-99	4	Institutions International Disclosure Standards	Firm	Foreign Firms	32,932	0.70	6,739	776	0.97	5.50	4.53	0.0000

34-78167	11-Dec-15	27-Jun-16	4	Disclosure of Payments by Resource Extraction Issuers	Firm	Mining /Resource extraction	88,544	0.67	3,961	293	-0.87	7.94	8.81	0.0000
34-67716	15-Dec-10	22-Aug-12	8	Conflict Minerals	Firm	Mining /Resource extraction	108,933	0.75	1,670	1,408	-0.68	2.27	2.95	0.0000
33-10570	1-Oct-12	31-Oct-18	3	Modernization of Property Disclosures for Mining Registrants	Firm	Mining /Resource extraction	135,349	0.89	4,254	80	0.62	2.69	2.07	0.0718
33-7289	6-Oct-95	9-May-96	2	Use of Electronic Media for Delivery Purposes	Firm	Proxy	7,770	0.69	3,415	3,297	-0.09	0.78	0.87	0.0007
33-7912	4-Nov-99	27-Oct-00	2	Delivery of Proxy Statements and Information Statements to Households	Firm	Proxy	17,883	0.78	3,180	3,006	-0.86	-0.14	0.73	0.0191
33-9259	15-Sep-11	15-Sep-11	1	Facilitating Shareholder Director Nominations (Notice of Effective Date)	Firm	Proxy	601	0.17	3,372	2,875	-0.46	0.14	0.60	0.0001
33-6996	13-Aug-92	28-Apr-93	2	Adoption of Additional Small Business Initiatives	Issuance /Process	Small firms	13,428	1.68	3,910	1,913	0.28	2.36	2.09	0.0000
33-6949	11-Mar-92	30-Jul-92	2	Adoption of Small Business Initiatives	Issuance /Process	Small firms	72,181	0.85	4,056	1,947	0.03	2.01	1.98	0.0000
34-37157	27-Jun-95	1-May-96	2	Relief From Reporting by Small Issuers;	Issuance /Process	Small firms	2,963	0.37	4,774	1,241	1.02	1.86	0.84	0.0245
33-10513	27-Jun-16	28-Jun-18	4	Amendments to Smaller Reporting Company Definition	Issuance /Process	Small firms	35,503	0.25	3,129	2,796	0.13	0.81	0.68	0.0452
33-9877	18-Sep-13	5-Aug-15	3	Pay Ratio Disclosure	Manager	Compensation	99,638	0.59	660	670	-0.28	0.37	0.65	0.0288
33-9250	18-Aug-09	8-Aug-11	2	Technical Amendments to Commission Rules and Forms Related to the FASB's Accounting Standards Codification	Technical	Technical	6,595	0.11	1,637	1,693	-0.88	-0.04	0.84	0.0153
33-8961	26-Sep-08	26-Sep-08	1	Technical Amendment to Item 407 of Regulation S-K	Technical	Technical	1,414	0.85	1,736	1,750	-2.00	-1.18	0.82	0.0165
Negative Returns														
33-8177	16-Oct-02	23-Jan-03	4	Disclosure Required by Sections 406 and 407 of the Sarbanes-Oxley Act of 2002	Audit	Audit Committee	26,578	1.03	2,000	2,070	4.87	2.00	-2.86	0.0020

34-42266	6-Oct-99	22-Dec-99	4	Audit Committee Disclosure	Audit	Audit Committee	16,408	0.91	2,230	2,272	1.78	0.16	-1.62	0.0102
33-7919	27-Jun-00	21-Nov-00	7	Revision of the Commission's Auditor Independence Requirements	Audit	Auditor independence	101,237	0.33	2,188	2,215	-1.46	-2.88	-1.42	0.0492
33-8934	8-May-07	26-Jun-08	8	Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	Audit	ICFR	7,195	0.29	4,938	966	-3.64	-6.14	-2.50	0.0021
33-8829	23-May-07	3-Aug-07	4	Definition of the Term Significant Deficiency	Audit	ICFR	4,322	0.21	2,636	2,274	-0.84	-2.80	-1.96	0.0000
33-8185	6-Nov-02	29-Jan-03	4	Implementation of Standards of Professional Conduct for Attorneys	Audit	Illegal	34,541	0.54	2,001	2,069	2.78	1.18	-1.61	0.0128
33-8507	25-Aug-04	17-Nov-04	3	Temporary Postponement of the Final Phase-In Period for Acceleration of Periodic Report Filing Dates	Firm	Accelerated filing	5,019	0.20	1,549	4,624	2.45	0.75	-1.70	0.0000
33-7620	25-Jun-98	5-Jan-99	2	Segment Reporting	Firm	Additional Information	7,255	1.05	3,607	2,856	1.84	0.64	-1.20	0.0003
33-10322	31-Aug-16	1-Mar-17	3	Exhibit Hyperlinks and HTML Format	Firm	EDGAR /XBRL	14,164	0.92	1,951	1,380	0.10	-0.47	-0.57	0.0541
33-8567	11-Mar-04	12-Apr-05	4	First-Time Application of International Financial Reporting Standards	Firm	Foreign Firms	18,557	1.01	5,205	755	-0.26	-1.32	-1.06	0.0095
34-67717	15-Dec-10	22-Aug-12	4	Disclosure of Payments by Resource Extraction Issuers	Firm	Mining /Resource extraction	65,776	0.86	3,603	277	0.37	-2.52	-2.89	0.0000
33-8124	12-Jun-02	29-Aug-02	5	Certification of Disclosure in Companies' Quarterly and Annual Reports	Firm	Other - CEO/CFO certification	24,557	1.16	2,078	2,141	2.15	0.00	-2.15	0.0004
34-57172	23-May-07	18-Jan-08	4	Electronic Shareholder Forums	Firm	Other - Electronic Shareholder Forums	9,577	0.28	3,023	3,014	-0.35	-1.28	-0.92	0.0017

33-8876	23-May-07	19-Dec-07	3	Smaller Reporting Company Regulatory Relief and Simplification	Firm	Other - Small firms	55,902	1.06	5,402	740	-0.27	-1.46	-1.19	0.0090
IA-2106	19-Sep-02	31-Jan-03	4	Proxy Voting by Investment Advisers	Firm	Proxy	9,490	0.94	3,205	3,315	1.74	-0.13	-1.86	0.0001
33-8340	14-Apr-03	24-Nov-03	5	Disclosure Regarding Nominating Committee Functions and Communications Between Security Holders and Boards of Directors	Firm	Proxy	22,531	0.58	3,117	3,169	2.16	0.39	-1.77	0.0000
33-8188	19-Sep-02	31-Jan-03	4	Disclosure of Proxy Voting Policies and Proxy Voting Records by Registered Management Investment Companies	Firm	Proxy	26,352	0.68	3,205	3,315	2.17	0.45	-1.72	0.0000
33-9136	20-May-09	25-Aug-10	9	Facilitating Shareholder Director Nominations	Firm	Proxy	156,713	0.57	2,711	2,777	2.01	0.96	-1.05	0.0124
34-40018	18-Sep-97	21-May-98	3	Amendments to Rules on Shareholder Proposals	Firm	Proxy	18,524	0.54	3,952	3,634	1.19	0.46	-0.73	0.0002
33-9146	29-Sep-10	29-Sep-10	1	Removal From Regulation FD of the Exemption for Credit Rating Agencies	Firm	Reg FD	1,669	1.50	2,379	2,360	0.39	0.13	-0.26	0.0645
34-64545	3-Nov-10	25-May-11	2	Implementation of the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934	Firm	Whistleblower	91,406	0.45	1,630	1,636	0.03	-0.61	-0.64	0.0134
33-7497	14-Jan-97	28-Jan-98	4	Plain English Disclosure	Issuance /Process	Other - Plain English	23,253	0.81	1,543	1,481	0.77	-0.08	-0.85	0.0997
33-8878	23-May-07	19-Dec-07	4	Revisions to the Eligibility Requirements for Primary Securities Offerings on Forms S-3 and F-3	Issuance /Process	Other - shelf offering	24,995	0.39	5,082	1,060	-0.89	-2.18	-1.29	0.0232
33-9741	18-Dec-13	25-Mar-15	7	Amendments to Regulation A	Issuance /Process	Small firms	140,509	0.84	3,068	1,005	0.73	-0.68	-1.41	0.0083
33-10591	19-Dec-18	19-Dec-18	1	Amendments to Regulation A	Issuance /Process	Small firms	11,197	0.69	5,234	1,408	-0.50	-1.87	-1.37	0.0000
34-47225	30-Oct-02	22-Jan-03	4	Insider Trades During Pension Fund Blackout Periods	Manager	Insider trading	25,912	0.57	4,583	1,316	2.96	0.86	-2.10	0.0006
33-8230	18-Dec-02	7-May-03	4	Mandated Electronic Filing and Website Posting for Forms 3, 4 and 5	Manager	Insider trading	18,590	0.68	4,028	2,293	1.03	0.13	-0.90	0.0138
33-8600	14-Oct-03	3-Aug-05	3	Ownership Reports and Trading by Officers, Directors and Principal Security Holders	Manager	Insider trading	11,326	0.46	3,550	2,017	1.20	0.33	-0.88	0.0002

34-55146a	17-Mar-08	17-Mar-08	1	Internet Availability of Proxy Materials; Regulation of Takeovers and Security Holder Communications; Cross-Border Tender and Exchange Offers, Business Combinations and Rights Offerings; Certain Other Related Rule Corrections	Technical	Technical	5,613	0.36	3,126	3,520	-0.65	-1.95	-1.30	0.0000
33-7983	12-Jun-01	12-Jun-01	1	International Disclosure Standards; Correction	Technical	Technical	1,615	0.50	6,567	875	0.70	-0.36	-1.06	0.0000
33-8216	27-Mar-03	27-Mar-03	1	Filing Guidance Related To: Conditions for Use of Non-GAAP Financial Measures; and Insider Trades During Pension Fund Blackout Periods	Technical	Technical	1,114	1.17	1,241	4,044	1.47	0.53	-0.94	0.0044
33-9089a	23-Feb-10	23-Feb-10	1	Proxy Disclosure Enhancements (Correction)	Technical	Technical	662	0.30	1,012	1,009	0.73	-0.10	-0.83	0.0000
33-8934a	22-Jun-09	22-Jun-09	1	Technical Amendment: Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	Technical	Technical	318	0.31	4,436	1,960	0.05	-0.35	-0.40	0.0784

TABLE 5
DISTRIBUTION OF SEC DISCLOSURE RULES BY DISCLOSURE-LEVEL
CLASSIFICATION AND SIGNIFICANCE

This table presents the distribution of SEC disclosure rules by disclosure-level classification and significance. Panel A is based on the market-level measure of stock price reactions and Panel B is based on the firm-level measure of stock price reactions. Variable definitions are in Appendix A.

PANEL A MARKET-LEVEL MEASURE OF STOCK PRICE REACTION

		Negative and Significant	No reaction	Positive and Significant	Total
Audit	Frequency	0	21	1	22
	%	0	15.44	0.74	16.18
	Row %	0	95.45	4.55	
	Column %	0	17.36	12.5	
Firm	Frequency	5	54	3	62
	%	3.68	39.71	2.21	45.59
	Row %	8.06	87.1	4.84	
	Column %	71.43	44.63	37.5	
Issuance/Process	Frequency	0	24	2	26
	%	0	17.65	1.47	19.12
	Row %	0	92.31	7.69	
	Column %	0	19.83	25	
Manager	Frequency	1	12	1	14
	%	0.74	8.82	0.74	10.29
	Row %	7.14	85.71	7.14	
	Column %	14.29	9.92	12.5	
Technical	Frequency	1	10	1	12
	%	0.74	7.35	0.74	8.82
	Row %	8.33	83.33	8.33	
	Column %	14.29	8.26	12.5	
Total	Frequency	7	121	8	136
	%	5.15	88.97	5.88	100

PANEL B FIRM-LEVEL MEASURE OF STOCK PRICE REACTION

		Negative and Significant	No reaction	Positive and Significant	Total
Audit	Frequency	6	14	1	21
	%	4.65	10.85	0.78	16.28
	Row %	28.57	66.67	4.76	
	Column %	18.18	18.67	4.76	
Firm	Frequency	15	33	13	61
	%	11.63	25.58	10.08	47.29
	Row %	24.59	54.1	21.31	
	Column %	45.45	44	61.9	
Issuance/Process	Frequency	4	12	4	20
	%	3.1	9.3	3.1	15.5
	Row %	20	60	20	
	Column %	12.12	16	19.05	
Manager	Frequency	3	10	1	14
	%	2.33	7.75	0.78	10.85
	Row %	21.43	71.43	7.14	
	Column %	9.09	13.33	4.76	
Technical	Frequency	5	6	2	13
	%	3.88	4.65	1.55	10.08
	Row %	38.46	46.15	15.38	
	Column %	15.15	8	9.52	
Total	Frequency	33	75	21	129
	%	25.58	58.14	16.28	100
Frequency Missing = 10					

TABLE 6
SEC DISCLOSURE RULES WITH NO SIGNIFICANT REACTION AT FIRM-LEVEL BUT SIGNIFICANTLY HIGHER
ABSOLUTE RETURNS

This table presents the list of rules that have do not have a significant effect on shareholder value based on the firm-level measure of stock price reactions, but does have a significant difference in the absolute value of stock price reactions between the group of firms more affected by the regulation and those that are less affected. The absolute stock price reactions are calculated as the absolute value of the difference in the cumulative abnormal returns based on a four-factor model between firms that are more affected by the rule and firms that are less affected by the rule. The significance in difference is based on a t-test between these two group of firms. Variable definitions are in Appendix A.

Release No.	Earliest Event Date	Final Rule Date	# of event dates	Final Rule Name	Classification	Topic	Total words	Proportion of restriction words (%)	CAR (%)	CAR P-value	Difference in absolute CAR	P-value of difference in absolute CAR
34-83506	21-Dec-17	25-Jun-18	2	Amendments to the Commission's Freedom of Information Act Regulations	Firm	FOIA	12,836	1.11	-	0.3325	0.41	0.0893
33-9142	15-Sep-10	15-Sep-10	1	Internal Control over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	Audit	ICFR	2,992	0.80	-	0.9650	1.28	0.0000
33-9072	23-Jan-09	13-Oct-09	3	Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	Audit	ICFR	3,920	0.46	-	0.1625	3.54	0.0000
33-8809	13-Dec-06	20-Jun-07	4	Amendments to Rules Regarding Management's Report on Internal Control Over Financial Reporting	Audit	ICFR	13,725	0.45	0.40	0.1309	2.73	0.0000
33-8760	9-Aug-06	15-Dec-06	2	Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies	Audit	ICFR	21,583	0.67	0.88	0.5930	3.08	0.0598
33-8618	12-Apr-05	22-Sep-05	4	Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports of Companies that Are Not Accelerated Filers	Audit	ICFR	3,643	0.44	0.22	0.5752	3.24	0.0000
33-8545	22-Feb-05	2-Mar-05	2	Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports of Non-Accelerated Filers and Foreign Private Issuers; Extension of compliance dates	Audit	ICFR	1,905	0.68	-	0.8759	1.39	0.0000
33-8392	7-Oct-03	24-Feb-04	4	Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	Audit	ICFR	2,073	0.87	0.32	0.3262	4.14	0.0000
33-8400	12-Jun-02	16-Mar-04	4	Additional Form 8-K Disclosure Requirements and Acceleration of Filing Date	Firm	Additional Information	38,860	1.18	0.21	0.4965	0.69	0.0041
33-8879	20-Jun-07	21-Dec-07	4	Acceptance From Foreign Private Issuers of Financial Statements Prepared in Accordance With International Financial Reporting	Firm	Foreign Firms	30,842	0.53	0.90	0.4976	2.24	0.0804

Standards Without Reconciliation to U.S. GAAP												
33-9108	14-Oct-09	22-Feb-10	2	Amendments to Rules Requiring Internet Availability of Proxy Materials	Firm	Proxy	8,746	0.54	-	0.1572	0.49	0.0167
34-55146	29-Nov-05	22-Jan-07	3	Internet Availability of Proxy Materials	Firm	Proxy	31,070	0.84	-	0.6681	0.31	0.0444
33-7766	13-Nov-97	5-Nov-99	2	Delivery of Disclosure Documents to Households	Firm	Proxy	9,736	0.74	0.26	0.3045	1.03	0.0000
34-62921	15-Sep-10	15-Sep-10	1	Rescission of Rules Pertaining to the Payment of Bounties for Information Leading to the Recovery of Civil Penalties for Insider Trading	Firm	Whistleblower	920	0.54	-	0.5850	0.33	0.0001
34-55540	14-Dec-05	27-Mar-07	3	Termination Of A Foreign Private Issuer's Registration of a Class of Securities Under Section 12(g) and Duty to File Reports Under Section 13(a) Or 15(d) of the Securities Exchange Act of 1934	Issuance/Process	Deregister	34,158	0.68	-	0.8645	0.34	0.0930
33-7373	9-Oct-96	16-Dec-96	2	Revisions to Forms SB-1, SB-2, Regulation A and Regulation S-T With Regard to the Appropriate Place for Filing for Registrants in the Regions Covered by the Northeast, Southwest, Midwest, Central and Pacific Regional Offices	Issuance/Process	SEC procedural	2,968	0.91	0.63	0.1754	5.16	0.0000
33-10075	17-Dec-14	3-May-16	3	Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act	Issuance/Process	Small firms	21,830	0.36	3.53	0.3896	10.91	0.0002
33-10003	13-Jan-16	13-Jan-16	1	Simplification of Disclosure Requirements for Emerging Growth Companies and Forward Incorporation by Reference on Form S-1 for Smaller Reporting Companies	Issuance/Process	Small firms	5,767	0.76	-	0.3265	0.94	0.0000
33-8891	23-May-07	6-Feb-08	4	Electronic Filing and Revision of Form D	Issuance/Process	Small firms	39,810	0.80	-	0.2092	1.31	0.0000
33-7644	19-May-98	26-Feb-99	5	Adoption of Amendments to Rule 504 of Regulation D	Issuance/Process	Small firms	6,494	0.65	0.78	0.1866	2.74	0.0000
33-9330	30-Mar-11	20-Jun-12	3	Listing Standards for Compensation Committees	Manager	Compensation	40,346	0.95	0.16	0.3737	0.77	0.0000
33-8732A	17-Jan-06	29-Aug-06	4	Executive Compensation and Related Person Disclosure (conforming amendments)	Manager	Compensation	121,528	0.97	0.03	0.9440	1.73	0.0000
33-7032	6-Aug-93	22-Nov-93	2	Executive Compensation Disclosure; Securityholder Lists and Mailing Requests	Manager	Compensation	4,906	0.63	0.16	0.5902	0.36	0.0814
33-10075a	21-Dec-16	21-Dec-16	1	Technical Correction: Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act	Technical	Technical	491	0.00	0.78	0.4042	2.12	0.0020
33-8400A	4-Aug-04	4-Aug-04	1	Additional Form 8-K Disclosure Requirements and Acceleration of Filing Date; Correction	Technical	Technical	1,668	0.54	-	0.6190	0.32	0.0090

TABLE 7

COMPARISON OF CHARACTERISTICS BETWEEN FIRMS AFFECTED BY POSITIVE RULES AND NEGATIVE RULES

This table presents the difference in characteristics of firms that are more affected by rules that have a positive and significant market reaction and firms that are more affected by rules that have a negative and significant market reaction. Stock price reactions are based on the firm-level measure. The significance of the difference is based on a t-test between the two groups of firms. Variable definitions are in Appendix A.

Variable	Proxy for	N affected by negative rule	N affected by positive rule	Mean of firms affected by negative rules	Mean of firms affected by positive rules	Difference (Pos - Neg)	p-value
Efficient Investment	Agency Costs	70,191	38,069	0.9526	0.9341	-0.0185	0.0000
Investment	Agency Costs	74,678	42,726	0.1351	0.1238	-0.0113	0.0000
F-Score	Agency Costs	52,688	23,946	1.6474	1.7517	0.1043	0.2917
Institutional Ownership	Agency Costs	72,517	38,856	0.4593	0.3449	-0.1144	0.0000
Dividend Payout	Agency Costs	46,266	22,522	0.5280	0.6810	0.1530	0.1555
Free Cash Flow	Agency Costs/Life cycle	63,565	33,632	-0.0157	-0.0522	-0.0365	0.0000
Book-to-Market	Contracting Costs	70,225	38,051	0.5366	0.6003	0.0637	0.4640
Leverage	Contracting Costs	70,234	38,185	0.5565	0.5561	-0.0003	0.9537
Tobin's Q	Contracting Costs	70,091	37,979	2.0433	2.0567	0.0134	0.8084
Profitability (ROA)	Contracting Costs	67,406	35,697	-0.0333	-0.0670	-0.0337	0.0000
Accruals (RSST)	Contracting Costs	55,907	29,898	0.0183	0.0024	-0.0160	0.0000
	/Disclosure Complexity						
Change in Profitability	Disclosure Complexity	63,706	28,876	-0.0138	-0.0106	0.0032	0.1685
10-K Length	Disclosure Complexity	44,742	17,406	49496	55092	5595	0.0000
Sales Growth	Disclosure Complexity	63,450	28,669	20.77	-1.31	-22.08	0.0687
Size	Disclosure Complexity	74,522	42,350	5.8567	4.8479	-1.0088	0.0000
	/Information Asymmetry						
Bid-Ask Spread	Information Asymmetry	70,607	35,613	0.0184	0.0410	0.0226	0.0000
Idiosyncratic Volatility	Information Asymmetry	73,835	41,851	0.0336	0.0446	0.0110	0.0000
Return Volatility	Information Asymmetry	73,835	41,851	0.0356	0.0459	0.0104	0.0000
Number of Firms in industry	Proprietary Costs	59,352	31,492	131	119	-12	0.0000
Herfindahl Index	Proprietary Costs	59,352	31,492	0.1871	0.1917	0.0046	0.0001

APPENDIX C SEC FINAL RULES ON DISCLOSURE

Release No.	Earliest Date	Final Rule Date	Final Rule Name	Description of the rule (Main provisions)	Affected firms	Regulation increase/decrease	Classification	Topic
33-10593	9-Feb-15	20-Dec-18	Disclosure of Hedging by Employees, Officers and Directors	The rule requires firms to describe policy on the ability of employees or directors to engage in transactions that hedge or offset decreases in the market value of equity securities	Firms with options on the 6 major exchanges (Option Metrics) - following Gao (2010)	increase	Manager	Compensation
33-10591	19-Dec-18	19-Dec-18	Amendments to Regulation A	The rule allows certain entities that meet requirements of regulation A to be exempt from the reporting requirements of section 13 or section 15(d) of the Exchange Act of 1934.	Firms in top 3 2-digit SIC industry with the most IPOs in the past 12 months	decrease	Issuance/Process	Small firms
33-10570	1-Oct-12	31-Oct-18	Modernization of Property Disclosures for Mining Registrants	The rule changes mining registrant disclosure requirements to conform more to international reporting standards, providing investors with a comprehensive understanding of mining properties.	Mining companies identified by SIC codes (as specified in cost-benefit analysis in final rule)	unclear	Firm	Mining/Resource extraction
33-10532	13-Jul-16	17-Aug-18	Disclosure Update and Simplification	The rule amends disclosure requirements that have become redundant, duplicative, overlapping, or superseded, also in relation to GAAP.	Firms with above median word count on 10-K	decrease	Firm	Simplify disclosures
33-10513	27-Jun-16	28-Jun-18	Amendments to Smaller Reporting Company Definition	The rule amends definition of "smaller reporting company" to expand qualifying firms and reduce their compliance costs.	Market Cap (as proxy for public float) between 75m and 200m or below 700m and revenue below 100m	decrease	Issuance/Process	Small firms
33-10514	13-Jun-16	28-Jun-18	Inline XBRL Filing of Tagged Data	The rule requires the use of inline XBRL for financial statement information.	Firms with above median word count on 10-K	increase	Firm	EDGAR/XBRL
34-83506	21-Dec-17	25-Jun-18	Amendments to the Commission's Freedom of Information Act Regulations	The rule amends SEC FOIA regulations to comply with the FOIA Improvement Act.	Firms with higher competition (below median Herfindahl index)	increase	Firm	FOIA
33-10322	31-Aug-16	1-Mar-17	Exhibit Hyperlinks and HTML Format	The rule requires firms to submit filings in HTML and hyperlink exhibits.	Firms with above median number of exhibits in 10-K	increase	Firm	EDGAR/XBRL
33-10075a	21-Dec-16	21-Dec-16	Technical Correction: Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act	The rule makes technical correction in registration requirements.	Firms with less than 10m in total assets	unclear	Technical	Technical
34-78167	11-Dec-15	27-Jun-16	Disclosure of Payments by Resource Extraction Issuers	The rule implements the section of the Dodd-Frank Act that requires resource extraction issuers to provide information about the type and total payments to a foreign government or the Federal Government for the purpose of the commercial development of oil, natural gas, or minerals, for each project.	Resource extraction firms identified by SIC (as specified in cost-benefit analysis in final rule)	increase	Firm	Mining/Resource extraction
34-77969	1-Jun-16	1-Jun-16	Form 10-K Summary	The rule implements the section of the FAST Act which provides that a registrant may include a summary in its form 10-K.	Firms with above median word count on 10-K	decrease	Firm	Simplify disclosures
33-10075	17-Dec-14	3-May-16	Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act	The rule implements the sections of the JOBS Act and the FAST Act that require higher thresholds of registration, termination of registration, and suspension of reporting, and the amends definition of "held of record".	Firms with less than 10m in total assets	decrease	Issuance/Process	Small firms
33-10003	13-Jan-16	13-Jan-16	Simplification of Disclosure Requirements for Emerging Growth Companies and Forward Incorporation by Reference on Form S-1 for Smaller Reporting Companies	The rule implements the section of the FAST act that requires SEC to revise forms S-1 and F-1 to permit emerging growth companies to omit financial information for certain historical periods and revises Form S-1 to permit forward incorporation by reference for smaller reporting companies.	Firms in top 3 2-digit SIC industry with the smallest (proceeds below median) IPOs in the past 12 months	decrease	Issuance/Process	Small firms
33-9877	18-Sep-13	5-Aug-15	Pay Ratio Disclosure	Following the Dodd-Frank Act, the rule amends item 402 of regulation S-K to require the disclosure of the median of the total annual compensation of all employees, the annual total compensation of the CEO, and the ratio of the two.	Firms with total score based on determinants paper based on Faleye, Reis, and Vankateswaran (2013 JBF)	increase	Manager	Compensation
34-75388	20-Jun-14	8-Jul-15	Freedom of Information Act Regulations: Fee Schedule, Addition of Appeals Time Frame, and Miscellaneous Administrative Changes	The rule amends FOIA regulations in terms of fees and procedures.	Firms with higher competition (below median Herfindahl index)	unclear	Firm	FOIA
33-9741	18-Dec-13	25-Mar-15	Amendments to Regulation A	The rule implements the section of the JOBS Act to exempt the registration requirements of the Securities Act for offerings up to \$50 million annually (Regulation A-).	Firms in top 3 2-digit SIC industry with the smallest (proceeds below median) IPOs in the past 12 months	decrease	Issuance/Process	Small firms
34-67716	15-Dec-10	22-Aug-12	Conflict Minerals	The rule implements the section of the Dodd-Frank Act that requires issuers to disclose whether materials necessary to a product or its production originated from the Democratic Republic of Congo or an adjoining country.	Firms in manufacturing, wholesale/retail industries identified by SIC	increase	Firm	Mining/Resource extraction
34-67717	15-Dec-10	22-Aug-12	Disclosure of Payments by Resource Extraction Issuers	The rule implements the section of the Dodd-Frank Act that requires resource extraction issuers to provide information about the type and total payments to a foreign government or the Federal Government for the purpose of the commercial development of oil,	Resource extraction firms identified by SIC (as specified in cost-benefit analysis in final rule)	increase	Firm	Mining/Resource extraction

33-9330	30-Mar-11	20-Jun-12	Listing Standards for Compensation Committees	natural gas, or minerals, for each project (subsequently vacated and reimplemented with 34-78167). The rule implements the section of the Dodd-Frank Act that requires national securities exchanges and associated to prohibit listing any equity security that is not in compliance with compensation committee rules which require, among other things, each member of the compensation committee to be independent.	Firms with poor governance (below median institutional ownership)	increase	Manager	Compensation
33-9286	15-Dec-10	21-Dec-11	Mine Safety Disclosure	The rule implements the section of the Dodd-Frank Act that requires issuers that are the operator of a mine to disclose specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities.	Mining companies identified by SIC codes (as specified in cost-benefit analysis in final rule)	increase	Firm	Mining/Resource extraction
33-9259	15-Sep-11	15-Sep-11	Facilitating Shareholder Director Nominations (Notice of Effective Date)	The rule sets the effective date for the amendment to the shareholder proposal rule (33-9136) that requires issuers to include in their proxy materials shareholder proposals that seek to establish a procedure in the firm's governing documents for the inclusion of shareholder director nominees.	Firms with high institutional ownership	increase	Firm	Proxy
33-9250	18-Aug-09	8-Aug-11	Technical Amendments to Commission Rules and Forms Related to the FASB's Accounting Standards Codification	The rule adopts technical amendments to conform rules and forms to FASB codification.	Firms with above median number of tables in 10-K	unclear	Technical	Technical
33-9245	1-Jul-08	27-Jul-11	Security Ratings	The rule adopts amendments to replace rule and form requirements for securities offering and issuer disclosure rules that rely on or make special accommodations for security ratings with alternative requirements.	Firms with above median leverage	unclear	Issuance/Process	Other - credit ratings
34-64545	3-Nov-10	25-May-11	Implementation of the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934	The rule implements the section of the Dodd-Frank Act that requires a whistleblower program that provides awards to whistleblowers that voluntarily provide original information about a violation of federal security laws and prohibits retaliation by employers against whistleblowers.	Firms with above median F-score	increase	Firm	Whistleblower
33-9146	29-Sep-10	29-Sep-10	Removal From Regulation FD of the Exemption for Credit Rating Agencies	The rule implements the section of the Dodd-Frank Act that revises Regulation FD to exclude nationally recognized statistical rating organizations and credit rating agencies from being exempt to Regulation FD.	Firms with above median leverage	increase	Firm	Reg FD
33-9142	15-Sep-10	15-Sep-10	Internal Control over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	The rule implements the section of the Dodd-Frank Act that removes the requirement of SOX 404(b), the auditor attestation report on the firm's internal control over financial reporting, for non-accelerated filers.	Non-accelerated filers - Market Cap (as proxy for public float) under 75m	decrease	Audit	ICFR
34-62921	15-Sep-10	15-Sep-10	Rescission of Rules Pertaining to the Payment of Bounties for Information Leading to the Recovery of Civil Penalties for Insider Trading	The rule rescinds existing insider trading bounty program after adoption of the whistleblower program adopted by the Dodd-Frank Act.	Firms with poor governance (below median institutional ownership) - based on Rozanov 2008 paper on weak governance and insider trading	unclear	Firm	Whistleblower
33-9136	20-May-09	25-Aug-10	Facilitating Shareholder Director Nominations	The rule changes federal proxy rules to facilitate the effective exercise of the shareholders' traditional state law rights to nominate and elect directors to the company's board of directors.	Firms with above median institutional ownership	increase	Firm	Proxy
34-62575	26-Jul-10	26-Jul-10	Amendments to the Informal and Other Procedures, Rules of Organization and Program Management, and Rules of Practice; Interim Commission Review of Public Company Accounting Oversight Board Inspection Reports and Regulation P	The rule implements the section of SOX Act to facilitate interim SEC review of PCAOB inspection reports.	N/A (PCAOB procedures)	decrease	Audit	Other - PCAOB
33-9089a	23-Feb-10	23-Feb-10	Proxy Disclosure Enhancements (Correction)	The rule makes technical correction on 10-Q/K and 8-K forms.	Firms with above median stock-based compensation proportion for CEO	increase	Technical	Technical
33-9108	14-Oct-09	22-Feb-10	Amendments to Rules Requiring Internet Availability of Proxy Materials	The rule clarifies and provides additional flexibility regarding the format, content, and delivery timeframe of the notice of internet availability of proxy materials that is sent to shareholders.	Above median retail investors (after deducting institutional and insider ownership)	decrease	Firm	Proxy
33-9089	1-Jul-09	16-Dec-09	Proxy Disclosure Enhancements	The rule requires registrants to make new or revised disclosures about: compensation policies and practices that present material risks to the company; stock and option awards of executives and directors; director and nominee qualifications and legal proceedings; board leadership structure; the board's role in risk oversight; and potential conflicts of interest of compensation consultants that advise companies and their boards of directors; transferring from 10-Q/K to 8-K shareholder voting results.	Firms with above median stock-based compensation proportion for CEO	increase	Manager	Compensation
33-9072	23-Jan-09	13-Oct-09	Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	The rule extends the compliance date for non-accelerated filers on filing the independent auditor's attestation report on internal control over financial reporting.	Non-accelerated filers - Market Cap (as proxy for public float) under 75m	decrease	Audit	ICFR

33-8934a	22-Jun-09	22-Jun-09	Technical Amendment: Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	The rule makes technical corrections to related rule effectiveness.	Non-accelerated filers - Market Cap (as proxy for public float) under 75m	decrease	Technical	Technical
33-9026	15-Apr-09	15-Apr-09	Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies	The rule makes technical amendments to conform rules and forms to SFAS 141 (business combinations) and SFAS 160 (noncontrolling consolidated statements).	Firms with more than 1 M&A in the past 12 months	unclear	Technical	Technical
33-9002a	1-Apr-09	1-Apr-09	Interactive Data to Improve Financial Reporting	The rule makes technical corrections to rules that require the use of XBRL for corporate filings.	Firms with above median word count on 10-K	increase	Technical	Technical
33-9002	30-May-08	30-Jan-09	Interactive Data to Improve Financial Reporting	The rule requires companies to provide their financial statements to the SEC and on their corporate websites in interactive data format using XBRL.	Firms with above median word count on 10-K	increase	Firm	EDGAR/XBRL
33-8995	12-Dec-07	31-Dec-08	Modernization of Oil and Gas Reporting	The rule makes revisions to provide investors with a better understanding of oil and gas reserves.	Firms in oil and gas industry identified by SIC code (13)	unclear	Firm	Mining/Resource extraction
33-8961	26-Sep-08	26-Sep-08	Technical Amendment to Item 407 of Regulation S-K	The rule makes technical corrections to references to the interim PCAOB standard that was subsumed by new PCAOB Ethics and Independence rule.	Firms with above median F-score	unclear	Technical	Technical
33-8959	13-Feb-08	23-Sep-08	Foreign Issuer Reporting Enhancements	The rule amends rules on foreign private issuers to enhance information available to investors.	Foreign private issuers	increase	Firm	Foreign Firms
33-8957	6-May-08	19-Sep-08	Commission Guidance and Revisions to the Cross-Border Tender Offer, Exchange Offer, Rights Offerings, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign Institutions	The rule expands and enhances the utility of cross-border exemptions for business combination transactions and rights offerings.	Foreign private issuers	decrease	Firm	Foreign Firms
34-58465	13-Feb-08	5-Sep-08	Exemption From Registration Under Section 12(g) of the Securities Exchange Act of 1934 for Foreign Private Issuers	The rule provides an exemption to foreign private issuers that meet specified conditions from registration under the Exchange Act and allows these issuers to be traded on OTC markets.	Foreign private issuers	unclear	Issuance/Process	Other - Foreign
33-8934	8-May-07	26-Jun-08	Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers	The rule extends the compliance date for non-accelerated filers on filing the independent auditor's attestation report on internal control over financial reporting.	Non-accelerated filers - Market Cap (as proxy for public float) under 75m	decrease	Audit	ICFR
34-57711	24-Apr-08	24-Apr-08	Disclosure of Divestment by Registered Investment Companies in Accordance With Sudan Accountability and Divestment Act of 2007	The rule limits civil, criminal, and administrative actions against registered investment companies that divest securities that conduct or have direct investments in certain business operations in Sudan under the Sudan Accountability and Divestment Act of 2007.	N/A (Firms related to Sudan)	increase	Firm	Other - Sudan
33-8909	14-Dec-07	10-Apr-08	Revisions to Form S-11 to Permit Historical Incorporation by Reference	The rule permits a real estate entity that has filed an annual report for its most recently completed fiscal year and is current in its reporting obligations under the Exchange Act to incorporate information in previous filings by reference in Form S-11.	Firms with above median	decrease	Issuance/Process	Other - real estate entity
34-55146a	17-Mar-08	17-Mar-08	Internet Availability of Proxy Materials; Regulation of Takeovers and Security Holder Communications; Cross-Border Tender and Exchange Offers, Business Combinations and Rights Offerings; Certain Other Related Rule Corrections	The rule makes technical amendments to multiple rules, including specifying the use of the notice and access model of the internet availability of proxy materials is not permitted for business combination transactions.	Above median retail investors (after deducting institutional and insider ownership) or with more than 1 M&A in the past 12 months	unclear	Technical	Technical
33-8891	23-May-07	6-Feb-08	Electronic Filing and Revision of Form D	The rule requires the electronic filing of Form D.	Firms in top 3 2-digit SIC industry with the smallest (proceeds below median) IPOs in the past 12 months	unclear	Issuance/Process	Small firms
34-57172	23-May-07	18-Jan-08	Electronic Shareholder Forums	The rule removes legal ambiguity from using electronic shareholder forums as a mode of communication.	Above median retail investors (after deducting institutional and insider ownership)	decrease	Firm	Other - Electronic Shareholder forums
33-8879	20-Jun-07	21-Dec-07	Acceptance From Foreign Private Issuers of Financial Statements Prepared in Accordance With International Financial Reporting Standards Without Reconciliation to U.S. GAAP	The rule allows IFRS reporting by foreign private issuers without reconciliation to U.S. GAAP.	Foreign private issuers	decrease	Firm	Foreign Firms
33-8876	23-May-07	19-Dec-07	Smaller Reporting Company Regulatory Relief and Simplification	The rule allows scaled disclosure and reporting requirements for small reporting companies.	Market Cap (as proxy for public float) between 25m and 75m	decrease	Firm	Other - Small firms
33-8878	23-May-07	19-Dec-07	Revisions to the Eligibility Requirements for Primary Securities Offerings on Forms S-3 and F-3	The rule relaxes the eligibility requirements of Form S-3/F-3 to expand their use by domestic and foreign private issuers.	Non-accelerated filers - Market Cap (as proxy for public float) under 75m	decrease	Issuance/Process	Other - shelf offering

33-8829	23-May-07	3-Aug-07	Definition of the Term Significant Deficiency	The rule sets forth the definition of the term "significant deficiency" for the purpose of section 302 and 404 of the SOX Act.	Firms with total score based on determinants paper based on Doyle, Ge, and McVay (2007 JAE)	unclear	Audit	ICFR
34-56135	22-Jan-07	26-Jul-07	Shareholder Choice Regarding Proxy Materials	The rule requires issuers and other soliciting persons to post proxy materials online and provide shareholders with a notice of internet availability.	Above median retail investors (after deducting institutional and insider ownership) or with more than 1 M&A in the past 12 months	increase	Firm	Proxy
33-8809	13-Dec-06	20-Jun-07	Amendments to Rules Regarding Management's Report on Internal Control Over Financial Reporting	The rule clarifies that compliance to the SEC interpretive guidance on evaluating internal controls over financial reporting meets the requirements for SOX 404 and defines the term "material weakness".	Firms with total score based on determinants paper based on Doyle, Ge, and McVay (2007 JAE)	unclear	Audit	ICFR
34-55540	14-Dec-05	27-Mar-07	Termination Of A Foreign Private Issuer's Registration of a Class of Securities Under Section 12(g) and Duty to File Reports Under Section 13(a) Or 15(d) of the Securities Exchange Act of 1934	The rule facilitates foreign private issuers' termination of registration and reporting obligations under the Exchange act.	Foreign private issuers	decrease	Issuance/Process	Deregister
34-55146	29-Nov-05	22-Jan-07	Internet Availability of Proxy Materials	The rule allows issuers or other persons to voluntarily furnish proxy materials to shareholders by posting them online and providing the shareholders with a notice of availability of the proxy materials.	Above median retail investors (after deducting institutional and insider ownership)	decrease	Firm	Proxy
33-8765	22-Dec-06	22-Dec-06	Executive Compensation Disclosure	The rule revises the disclosure requirements for executive and director stock and option compensation as described in FAS 123R.	Firms with above median stock-based compensation proportion for CEO	decrease	Manager	Compensation
33-8760	9-Aug-06	15-Dec-06	Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies	The rule extends the compliance date for non-accelerated filers on filing the manager's report and independent auditor's attestation report on internal control over financial reporting.	Non-accelerated filers - Market Cap (as proxy for public float) under 75m	decrease	Audit	ICFR
33-8732A	17-Jan-06	29-Aug-06	Executive Compensation and Related Person Disclosure (conforming amendments)	The rule amends the disclosure requirements of executive and director compensation (introducing the CD&A section), related person transactions, director independence, and other corporate governance matters.	Firms with poor governance (below median institutional ownership)	increase	Manager	Compensation
33-8730A	9-Aug-06	9-Aug-06	Internal Control Over Financial Reporting In Exchange Act Periodic Reports of Foreign Private Issuers That Are Accelerated Filers	The rule extends the compliance date for foreign private issuers that are accelerated filers, but not large accelerated filers, on filing the independent auditor's attestation report on internal control over financial reporting.	Foreign private issuers with market cap (proxy for public float) between 75m and 700m	decrease	Audit	ICFR
33-8644	25-Aug-04	21-Dec-05	Revisions To Accelerated Filer Definition And Accelerated Deadlines For Filing Periodic Reports	The rule creates the "large accelerated filer" category and imposed accelerated filing deadline (60-days for 10-K, 40 days for 10-Q).	Large accelerated firms (market cap as proxy for public float above 700m)	decrease	Firm	Accelerated filing
33-8618	12-Apr-05	22-Sep-05	Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports of Companies that Are Not Accelerated Filers	The rule extends the compliance date for non-accelerated filers on filing the manager's report and independent auditor's attestation report on internal control over financial reporting.	Non-accelerated filers - Market Cap (as proxy for public float) under 75m	decrease	Audit	ICFR
33-8600	14-Oct-03	3-Aug-05	Ownership Reports and Trading by Officers, Directors and Principal Security Holders	The rule clarifies the exemptions from the private right of action to recover short-swing profits (profit realized from any purchase and sale [or sale and purchase] within any period of six months) from insiders.	Firms with above median number of insider trades in the past 12 months	decrease	Manager	Insider trading
33-8591	27-Oct-04	19-Jul-05	Securities Offering Reform	The rule modifies and advances the registration, communication of offering process, and requires more timely information from issuers (including risk factor disclosures).	N/A (Securities Offering Reform)	unclear	Issuance/Process	Other - General
33-8587	15-Apr-04	15-Jul-05	Use of Form S-8, Form 8-K, and Form 20-F by Shell Companies	The rule restricts the use of Form S-8 (for share issuances to employees) for shell companies and sets disclosure requirements when shell companies cease to be one.	N/A (Shell Company)	increase	Issuance/Process	Compensatory issuance
34-52029	15-Jun-04	14-Jul-05	Removal from Listing and Registration of Securities Pursuant to Section 12(d) of the Securities Exchange Act of 1934	The rule streamlines procedures for delisting a security from an exchange by requiring the delisting issuer and the exchange to file the amended form 25 with the SEC on EDGAR.	Firms with total score based on determinants paper based on Marosi and Massoud (2007 JFQA)	decrease	Issuance/Process	Deregister
33-8568	29-Mar-05	15-Apr-05	Amendment to Rule 4-01(a) of Regulation S-X Regarding the Compliance Date for Statement of Financial Accounting Standards No. 123 (Revised 2004), Share-Based Payment	The rule extends the compliance date for SFAS 123R, with differing dates between small and non-small business issuers.	Firms with above median stock options rewarded to executives	increase	Manager	Compensation
33-8567	11-Mar-04	12-Apr-05	First-Time Application of International Financial Reporting Standards	The rule allows a one-time accommodation for foreign private issuers under IFRS to file two years rather than three years of financial statements but retains the requirements for reconciliation with U.S. GAAP.	Foreign private issuers	decrease	Firm	Foreign Firms
33-8545	22-Feb-05	2-Mar-05	Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act	The rule extends the compliance date for non-accelerated filers and foreign private issuers on filing the manager's report on internal control over financial reporting.	Foreign private issuers and non-accelerated issuers (market cap as proxy for public float below 75m)	decrease	Audit	ICFR

33-8529	27-Sep-04	3-Feb-05	Periodic Reports of Non-Accelerated Filers and Foreign Private Issuers; Extension of compliance dates	XBR L Voluntary Financial Reporting Program on the EDGAR System	The rule allows registrants to voluntarily submit supplemental tagged financial information using XBR L as exhibits to EDGAR filings.	Firms with above median word count on 10-K	unclear	Firm	EDGAR/XBR L
33-8507	25-Aug-04	17-Nov-04	Temporary Postponement of the Final Phase-In Period for Acceleration of Periodic Report Filing Dates	Additional Form 8-K Disclosure Requirements and Acceleration of Filing Date; Correction	The rule postpones the final phase-in period for acceleration of the due dates of quarterly and annual reports.	Accelerated filers (market cap as proxy for public float above 75m)	decrease	Firm	Accelerated filing
33-8400A	4-Aug-04	4-Aug-04	Additional Form 8-K Disclosure Requirements and Acceleration of Filing Date; Correction	Additional Form 8-K Disclosure Requirements and Acceleration of Filing Date	The rule makes technical corrections for the text of the 8-K rules.	Below median analyst following	unclear	Technical	Technical
33-8400	12-Jun-02	16-Mar-04	Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	Additional Form 8-K Disclosure Requirements and Acceleration of Filing Date	The rule adds additional items to the Form 8-K to expand disclosures under the form and enhance timeliness by shortening the 8-K filing deadline.	Below median analyst following	increase	Firm	Additional Information
33-8392	7-Oct-03	24-Feb-04	Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	The rule extends the compliance date for issuers on filing the manager's report on internal control over financial reporting.	Firms with total score based on determinants paper based on Doyle, Ge, and McVay (2007 JAE)	decrease	Audit	ICFR
33-8340	14-Apr-03	24-Nov-03	Disclosure Regarding Nominating Committee Functions and Communications Between Security Holders and Boards of Directors	Disclosure Regarding Nominating Committee Functions and Communications Between Security Holders and Boards of Directors	The rule enhances disclosures on operations of board nominating committees and also requires the disclosure of the means, if any, by which security holders may communicate with directors.	Firms with above median institutional ownership	increase	Firm	Proxy
33-8238	16-Oct-02	5-Jun-03	Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports	The rule implements section 404 of the SOX Act, requiring firms to include in their annual reports manager's report on the company's internal control over financial reporting and the auditor's attestation report.	Firms with total score based on determinants paper based on Doyle, Ge, and McVay (2007 JAE)	increase	Audit	ICFR
34-47890	16-Oct-02	20-May-03	Improper Influence on Conduct of Audits	Improper Influence on Conduct of Audits	The rule implements section 303 of the SOX Act which prohibits issuers from taking any action to coerce, manipulate, mislead, or fraudulently influence the auditor of the issuer's financial statements.	Firms with above median F-score	increase	Audit	Auditor independence
33-8230	18-Dec-02	7-May-03	Mandated Electronic Filing and Website Posting for Forms 3, 4 and 5	Mandated Electronic Filing and Website Posting for Forms 3, 4 and 5	The rule implements section 403 of the SOX Act which requires beneficial ownership reports (Form 3, 4, and 5) filed by officers, directors, and principal security holders to be filed on EDGAR.	Firms with above median number of insider trades in the past 12 months	increase	Manager	Insider trading
33-8220	8-Jan-03	9-Apr-03	Standards Relating to Listed Company Audit Committees	Standards Relating to Listed Company Audit Committees	The rule requires national securities exchanges to prohibit the listing of any security of an issuer that is not in compliance with the audit committee requirements (independent audit committee, among others) mandated by section 301 of the SOX Act.	Firms with above median F-score	increase	Audit	Audit Committee
33-8128A	8-Apr-03	8-Apr-03	Acceleration of Periodic Report Filing Dates and Disclosure Concerning Website Access to Reports	Acceleration of Periodic Report Filing Dates and Disclosure Concerning Website Access to Reports	The rule makes technical corrections to phase in period specified in rule regarding accelerated filing of quarterly and annual reports.	Accelerated filers (market cap as proxy for public float above 75m)	unclear	Firm	Accelerated filing
33-8216	27-Mar-03	27-Mar-03	Filing Guidance Related To: Conditions for Use of Non-GAAP Financial Measures; and Insider Trades During Pension Fund Blackout Periods	Filing Guidance Related To: Conditions for Use of Non-GAAP Financial Measures; and Insider Trades During Pension Fund Blackout Periods	The rule provides interim guidance on EDGAR filing regarding Form 8-K for item 11, notice of pension blackout period, and item 12, disclosure for public announcement of material non-public information for a completed quarterly/annual period.	Firms with XPR/Sales above median or firms with above median count of non-GAAP EPS in the past 12 months based on IBES	unclear	Technical	Technical
33-8177A	26-Mar-03	26-Mar-03	Disclosure Required by Sections 406 and 407 of the Sarbanes-Oxley Act of 2002	Disclosure Required by Sections 406 and 407 of the Sarbanes-Oxley Act of 2002	This rule makes technical corrections to rule that implements sections of SOX which require disclosure on audit committee financial experts and code of ethics.	Firms with above median F-score	unclear	Technical	Technical
33-8183A	26-Mar-03	26-Mar-03	Strengthening the Commission's Requirements Regarding Auditor Independence	Strengthening the Commission's Requirements Regarding Auditor Independence	The rule makes technical correction on numbering of items in 10-K and disclosures on auditor independence and audit fees.	Firms with above median F-score	unclear	Technical	Technical
33-8188	19-Sep-02	31-Jan-03	Disclosure of Proxy Voting Policies and Proxy Voting Records by Registered Management Investment Companies	Disclosure of Proxy Voting Policies and Proxy Voting Records by Registered Management Investment Companies	The rule requires registered investment companies to disclose the policies and procedures that they use to determine how to vote proxies relating to portfolio securities and also the specific proxy votes that they cast in shareholder meetings of issuers of portfolio securities.	Firms with above median institutional ownership	increase	Firm	Proxy
IA-2106	19-Sep-02	31-Jan-03	Proxy Voting by Investment Advisers	Proxy Voting by Investment Advisers	The rule requires an investment adviser that exercises voting authority over client proxies to adopt policies and procedures designed to ensure that the adviser votes proxies in the best interests of clients, to disclose to clients information about those policies and procedures, and to disclose to clients how to obtain information on how the adviser has voted their proxies.	Firms with above median institutional ownership	increase	Firm	Proxy
33-8185	6-Nov-02	29-Jan-03	Implementation of Standards of Professional Conduct for Attorneys	Implementation of Standards of Professional Conduct for Attorneys	The rule implements section 307 of the SOX Act the establishes standards of professional conduct for attorneys appearing before the Commission on behalf of issuers, including the requirement to report evidence of security law violation or breach of fiduciary duty.	Firms with above median F-score	increase	Audit	Illegal

33-8182	30-Oct-02	28-Jan-03	Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations	The rule implements section 401(a) of the SOX Act which requires managers to provide an explanation of off-balance sheet arrangements in a subsection of the Management's Discussion and Analysis (MD&A)	Firms with above median word count on 10-K	increase	Firm	Additional Information
33-8183	19-Nov-02	28-Jan-03	Strengthening the Commission's Requirements Regarding Auditor Independence	The rule amends requirements on auditors to improve auditor independence, including regulations on non-audit services, requiring the approval of audit committee on all services provided by the auditor, prohibiting certain partners of the audit engagement team from providing audit services to issuer for more than five or seven years, prohibiting an accounting firm from auditing an issuer's financial statements if certain members of management had been members of the accounting firm's audit engagement team within the one-year period preceding the commencement of audit procedures, requiring the auditor to report certain matters to the audit committee, and requiring the disclosure of information related to fees paid to auditor for audit and non-audit services.	Firms with above median F-score	increase	Audit	Auditor independence
33-8180	19-Nov-02	24-Jan-03	Retention of Records Relevant to Audits and Reviews	The rule implements section 802 of the SOX Act which requires accounting firms to retain records of audit and reviews of issuers' financial statements for 7 years.	Firms with above median F-score	increase	Audit	Other - Audit Process
33-8177	16-Oct-02	23-Jan-03	Disclosure Required by Sections 406 and 407 of the Sarbanes-Oxley Act of 2002	The rule implements sections 406 and 407 of the SOX Act which requires the disclosure of information about the audit committee financial expert member and the code of ethics for executives.	Firms with above median F-score	increase	Audit	Audit Committee
33-8176	30-Oct-02	22-Jan-03	Conditions for Use of Non-GAAP Financial Measures	The rule implements section 401(b) of the SOX Act and adopts Regulation G, which requires companies that disclose or release non-GAAP financial measures to include a presentation of the most directly comparable GAAP financial measure and a reconciliation of the non-GAAP financial measure to that GAAP financial measure.	Firms with above median count of non-GAAP EPS in the past 12 months based on IBES	increase	Firm	Other - Non-GAAP
34-47225	30-Oct-02	22-Jan-03	Insider Trades During Pension Fund Blackout Periods	The rule implements section 306(a) of SOX and prohibits any director and executive from trading any equity security of the firm during a pension plan blackout period.	Firms with XPR/Sales above median or firms with above median number of insider trades in the past 12 months	increase	Manager	Insider trading
33-8128	11-Apr-02	5-Sep-02	Acceleration of Periodic Report Filing Dates and Disclosure Concerning Website Access to Reports	The rule accelerates the filing deadline for accelerated filers' periodic filings.	Accelerated filers (market cap as proxy for public float above 75m)	increase	Firm	Accelerated filing
33-8124	12-Jun-02	29-Aug-02	Certification of Disclosure in Companies' Quarterly and Annual Reports	The rule implements section 302(a) of the SOX Act which requires an issuer's principal executive and financial officer each to certify the information contained in the firm's quarterly and annual reports.	Firms with above median F-score	increase	Firm	Other - CEO/CFO certification
34-46421	6-Aug-02	27-Aug-02	Ownership Reports and Trading by Officers, Directors and Principal Security Holders	The rule implements section 403(a) of the SOX Act which requires accelerated filing deadlines for change of beneficial ownership reports required to be filed by officers, directors, and principal security holders.	Firms with above median number of insider trades in the past 12 months	increase	Manager	Insider trading
33-8099	28-Sep-01	14-May-02	Mandated EDGAR Filing for Foreign Issuers	The rule requires foreign private issuers and foreign governments to file securities documents through EDGAR.	Foreign private issuers	increase	Firm	EDGAR/XBRL
33-8070	18-Mar-02	18-Mar-02	Requirements for Arthur Andersen LLP Auditing Clients	The rule adopts provisions to minimize potential disruptions for Arthur Andersen audit clients that may occur as a result of the indictment of Arthur Andersen.	Firms whose most recent auditor was Arthur Andersen as identified by Audit Analytics	decrease	Audit	Other - AA
33-8048	26-Jan-01	21-Dec-01	Disclosure of Equity Compensation Plan Information	The rule enhances disclosures on equity compensation, including outstanding options, warrants and rights granted as compensation, and the number of securities available for future issuance under these plans.	Firms with above median stock options rewarded to executives	increase	Manager	Compensation
33-7983	12-Jun-01	12-Jun-01	International Disclosure Standards; Correction	The rule makes technical amendments to international disclosure standards on filings from foreign private issuers.	Foreign private issuers	unclear	Technical	Technical
33-7919	27-Jun-00	21-Nov-00	Revision of the Commission's Auditor Independence Requirements	The rule revises auditor independence rules to reduce the scope of employees and families considered in determination of auditor independence, identify certain non-audit services as violating auditor independence, and require the disclosure of non-audit services provided by their auditor.	Firms with above median F-score	unclear	Audit	Auditor independence
33-7912	4-Nov-99	27-Oct-00	Delivery of Proxy Statements and Information Statements to Households	The rule permits companies and intermediaries to satisfy the delivery requirements for proxy statements with respect to two or more security holders sharing the same address by delivering a single proxy statement, a practice referred to as "householding."	Above median retail investors (after deducting institutional and insider ownership)	decrease	Firm	Proxy
34-43239	14-Apr-99	1-Sep-00	Amendments to the Commission's Freedom of Information and Privacy Act Rules and Confidential Treatment Rule 83	The rule amends procedures for requesting confidential treatment and FOIA requests, including marking forms requested for confidential treatment and imposing 10-year limit to confidential treatments with extensions.	Firms with higher competition (below median Herfindahl index)	unclear	Firm	FOIA
33-7878	1-Mar-99	15-Aug-00	Financial Statements and Periodic Reports for Related Issuers and Guarantors	The rule adopts financial reporting rules for related issuers and guarantors of guaranteed securities, and also adopts an exemption from periodic reporting for subsidiary issuers and subsidiary guarantors of these securities.	Firms with above 0 ESUB or MIB	unclear	Firm	Other - Subsidiary guarantors

33-7881	13-Dec-99	15-Aug-00	Selective Disclosure and Insider Trading	The rule adopts Regulation FD, which requires that issuers releasing material information must make public disclosure of that information, and sets several provisions related to insider trading.	Firms with above median analyst following or above median institutional ownership	increase	Firm	Reg FD
33-7855	3-Mar-00	24-Apr-00	Rulemaking for EDGAR System	The rule modernizes EDGAR procedures, including the addition of image files and hyperlinks in HTML format and the submission of filings using internet instead of disks.	Firms with above median word count on 10-K	unclear	Firm	EDGAR/XBRL
34-42266	6-Oct-99	22-Dec-99	Audit Committee Disclosure	The rule requires independent auditors to review quarterly reports and companies to disclose in proxy statements certain information about audit committees.	Firms with above median F-score	increase	Audit	Audit Committee
33-7766	13-Nov-97	5-Nov-99	Delivery of Disclosure Documents to Households	The rule permits issuers and broker-dealers to satisfy prospectus delivery requirements, with respect to two or more investors sharing the same address, by sending a single prospectus, referred to as "householding."	Above median retail investors (after deducting institutional and insider ownership)	decrease	Firm	Proxy
33-7760	14-Oct-98	22-Oct-99	Regulation of Takeovers and Security Holder Communications	The rule revises regulations on takeover transaction to allow increased communication with security holders, balance the treatment of cash and stock tender offers, simplify disclosure requirements, and eliminate regulatory inconsistencies in mergers and tender offers.	Firms with more than 1 M&A in the past 12 months	decrease	Firm	Other - M&A
34-41936	2-Feb-99	28-Sep-99	International Disclosure Standards	The rule revises disclosure requirement for foreign private issuers to conform to the international disclosure standards endorsed by the International Organization of Securities Commissions in September 1998.	Foreign private issuers	unclear	Firm	Foreign Firms
33-7684	10-Mar-99	17-May-99	Rulemaking for EDGAR System	The rule modernizes EDGAR procedures, allowing filings to be in HTML format and companies to submit accompanying PDF files.	Firms with above median word count on 10-K	unclear	Firm	EDGAR/XBRL
33-7644	19-May-98	26-Feb-99	Adoption of Amendments to Rule 504 of Regulation D	The rule revises Regulation D to limit the circumstances where general solicitation is permitted, and freely tradable securities may be issued.	Firms in top 3 2-digit SIC industry with the smallest (proceeds below median) IPOs in the past 12 months	increase	Issuance/Process	Small firms
33-7646	9-Feb-98	26-Feb-99	Adoption of Amendments to Form S-8 related Rules Under the Securities Act, and Regulations S-K and S-B	The rule revises Form S-8 and related rules to restrict the use of Form S-8 for the offer and sale of securities to consultants and advisors and to allow S-8 to be used for stock option exercises by family members of employees.	N/A (Stock options awarded as compensation to employees, consultants, etc.)	unclear	Issuance/Process	Compensatory issuance
33-7645	27-Feb-98	25-Feb-99	Rule 701 - Exempt Offerings Pursuant to Compensatory Arrangements	The rule revises regulation on exempt offerings pursuant to compensatory arrangements for non-reporting firms to make rule 701 more useful and eliminate unnecessary restrictions.	N/A (Private firms)	unclear	Issuance/Process	Compensatory issuance
34-40934	1-Jul-97	12-Jan-99	Rulemaking for EDGAR System	The rule requires institutional investors to submit 13F filings through EDGAR.	Firms with above median word count on 10-K	increase	Firm	EDGAR/XBRL
33-7620	25-Jun-98	5-Jan-99	Segment Reporting	The rule conforms reporting requirements with FASB 131, governing disclosures relating to a business enterprise's operating segments.	Firms with above median count of segments (counted ex post)	increase	Firm	Additional Information
34-40018	18-Sep-97	21-May-98	Amendments to Rules on Shareholder Proposals	The rule clarifies rules on shareholder proposals, specifically rule 14a-8 to facilitate interpretations and provide clearer guidance on companies' exercise of discretionary voting authority.	Firms with above median institutional ownership	unclear	Firm	Proxy
33-7505	20-Feb-97	17-Feb-98	Offshore Offers and Sales (Regulation S)	The rule revises Regulation S, which is the issuer safe harbor for offshore offerings, to block fraudulent activities by making these equity restricted securities, imposing longer holdings periods, requiring certification, and requiring purchaser's compliance with hedging policies.	N/A (Reg S - Small firms)	increase	Issuance/Process	Offshore sales
34-39624	5-Feb-98	5-Feb-98	Commission Procedures for Filing Applications for Orders for Exemptive Relief Pursuant to Section 36 of the Exchange Act	The rule sets forth the procedures to assess and process applications of exemptive relief from provisions of the Exchange Act.	N/A (SEC procedures for exemptive relief)	decrease	Issuance/Process	SEC procedural
33-7497	14-Jan-97	28-Jan-98	Plain English Disclosure	The rule requires issuers to write the cover page, summary, and risk factor sections of prospectuses in plain English.	Firms with above median word count on 10-K	increase	Issuance/Process	Other - Plain English
33-7470	10-Oct-96	10-Oct-97	Offshore Press Conferences, Meetings with Company Representative Conducted Offshore, and Press-Related Materials Released Offshore	The rule creates safe harbor provisions to clarify the conditions where journalists can access offshore press conferences, offshore meetings, and press materials release offshore.	Firms with FCA above 0 (foreign presence)	decrease	Firm	Other - Offshore
33-7431	31-May-96	18-Jul-97	Phase Two Recommendations of Task Force on Disclosure Simplification	The rule, with the purpose of simplifying disclosures, eliminates Form SR (use of proceeds from IPO), exhibit requirements of 8-A, and Form 8-B, and exempts ADRs registered under Form F-6 from registration requirements under the Exchange Act.	Firms with above median word count on 10-K	decrease	Firm	Simplify disclosures
33-7427	5-Dec-96	1-Jul-97	Rulemaking for the EDGAR System	The rule amends EDGAR filing process, including the termination of transition rules and introducing rules for foreign issuers.	Firms with above median word count on 10-K	increase	Firm	EDGAR/XBRL
33-7419	30-Aug-96	8-May-97	Expansion of Short-Form Registration To Include Companies With Non-Voting Common Equity	The rule amends regulations to include non-voting equity to compute the \$75 million aggregate market value of the registrant in determining small business issuer status.	Firms with market cap below 75m but exceeds 75m when including preferred shares	unclear	Issuance/Process	Small firms
34-38387	22-Aug-96	12-Mar-97	Implementation of Section 10A of the Securities Exchange Act of 1934	The rule requires the auditor of an issuer's financial statements to report to the issuer's board of directors certain uncorrected illegal acts of the issuer, and the issuer to notify the SEC that it has received such a report.	Firms with above median F-score	increase	Audit	Illegal

33-7386	28-Dec-95	31-Jan-97	Disclosure of Accounting Policies for Derivative Financial Instruments and Derivative Commodity Instruments and Disclosure of Quantitative and Qualitative Information About Market Risk Inherent in Derivative Financial Instruments, Other Financial Instruments, and Derivative Commodity Instruments	The rule clarifies and expands existing disclosure requirements for derivative financial instruments, other financial instruments, and derivative commodity instruments, including the disclosure of accounting policies of derivatives in footnotes to financial statements and the disclosure of quantitative and qualitative information about market risk inherent in market risk sensitive instruments.	Firms in industries with high use of derivatives (identified with SIC)	increase	Firm	Additional Information
33-7373	9-Oct-96	16-Dec-96	Revisions to Forms SB-1, SB-2, Regulation A and Regulation S-T With Regard to the Appropriate Place for Filing for Registrants in the Regions Covered by the Northeast, Southwest, Midwest, Central and Pacific Regional Offices	The rule requires firms to file SB-1, SB-2 and related Regulation A materials to the SEC headquarters in D.C.	Market Cap (as proxy for public float) below 25m	increase	Issuance/Process	SEC procedural
33-7355	27-Jun-95	10-Oct-96	Streamlining Disclosure Requirements Relating to Significant Business Acquisitions	The rule streamlines reporting requirements by allowing the audited financial statements of acquired or to-be acquired firms to be omitted for most initial and repeat offerings under the Securities Act if the business falls below a 50% significance level.	Firms with more than 1 M&A in the past 12 months	decrease	Issuance/Process	Other - M&A
34-37801	27-Jun-95	10-Oct-96	Periodic Reporting of Unregistered Equity Sales (Regulation S)	The rule requires firms to report sales of equity securities that have not been registered under the Securities Act.	N/A (Unregistered equity sales)	increase	Issuance/Process	Offshore sales
33-7300	5-Mar-96	31-May-96	Phase One Recommendation of Task Force on Disclosure Simplification	The rule simplifies disclosures by eliminating 44 rules and 4 forms deemed to be no longer necessary by the task force and making minor amendments to other rules.	Firms with above median word count on 10-K	decrease	Firm	Simplify disclosures
34-37260	10-Aug-94	31-May-96	Ownership Reports and Trading by Officers, Directors and Principal Security Holders	The rule streamlines the regulations and procedures of the filing of ownership reports by officers, directors, and principal security holders, and exempts certain transactions from the short-swing profit recovery provisions.	Firms with above median number of insider trades in the past 12 months	increase	Manager	Insider trading
33-7289	6-Oct-95	9-May-96	Use of Electronic Media for Delivery Purposes	The rule makes technical amendments to rules that are premised on the distribution of paper documents to incorporate the use of electronic media.	Above median retail investors (after deducting institutional and insider ownership)	unclear	Firm	Proxy
34-37157	27-Jun-95	1-May-96	Relief From Reporting by Small Issuers;	The rule increases the threshold for registration and reporting requirements of the Exchange Act, allowing these firms to be exempt from the costs of registration and reporting requirements and utilize Regulation A, among various provisions.	Firms in top 3 2-digit SIC industry with the smallest (proceeds below median) IPOs in the past 12 months	decrease	Issuance/Process	Small firms
33-7122	23-Feb-93	19-Dec-94	Rulemaking for EDGAR System	The rule transitions the interim rules on the EDGAR system to final rules governing mandatory electronic filings.	Firms with above median word count on 10-K	unclear	Firm	EDGAR/XBRL
33-7117	19-Apr-94	13-Dec-94	Selection of Reporting Currency for Financial Statements of Foreign Private Issuers and Reconciliation to US GAAP for Foreign Private Issuers With Operations in a Hyperinflationary Economy	The rule allows foreign issuers flexibility in the selection of the reporting currency used in filings with the commission and streamlines financial statement reconciliation requirements for foreign private issuer with operations in countries with hyperinflationary economies.	Foreign private issuers	decrease	Firm	Foreign Firms
33-7118	19-Apr-94	13-Dec-94	Financial Statements of Significant Foreign Equity Investees and Acquired Foreign Businesses of Domestic Issuers and Financial Schedules	The rule reduces redundant disclosures, extends financial statement accommodations available to foreign issuers to filings by domestic issuers that are required to include financial statements of foreign equity investees or acquired foreign businesses (regarding age of financial statements and reconciliation with GAAP), and revises tests of significance for reporting.	Foreign private issuers	decrease	Firm	Foreign Firms
33-7119	19-Apr-94	13-Dec-94	Reconciliation of the Accounting by Foreign Private Issuers for Business Combinations	The rule simplifies the financial statement reconciliation for foreign private issuers that have entered into business combinations by eliminating the requirement to reconcile to U.S. GAAP for certain differences as long as it complies to International Accounting Standard No. 22, "Business Combinations."	Foreign private issuers	decrease	Firm	Foreign Firms
33-7113	1-Sep-94	1-Dec-94	Limited Partnership Roll-Up Transactions	The rule amends rules regarding limited partnership roll-up transactions following the Limited Partnership Rollup Reform Act to address roll-up abuses.	N/A (Limited Partnership)	increase	Firm	Other - Limited Partnership
33-7072	23-Feb-93	1-Sep-94	Rulemaking for EDGAR System: Financial Data Schedules	The rule implements financial data schedules required to be furnished with electronic filings that are submitted through EDGAR.	Firms with above median word count on 10-K	increase	Firm	EDGAR/XBRL
33-7032	6-Aug-93	22-Nov-93	Executive Compensation Disclosure; Securityholder Lists and Mailing Requests	The rule changes executive compensation disclosure requirements to provide more information.	Firms with above median stock options rewarded to executives	increase	Manager	Compensation
33-6996	13-Aug-92	28-Apr-93	Adoption of Additional Small Business Initiatives	The rule eases the entry of small businesses into public markets by taking multiple actions and creating simplified disclosures, including transitional registration forms, reporting forms, proxy statements for small business issuers.	Market Cap (as proxy for public float) below 25m	decrease	Issuance/Process	Small firms

33-6949	11-Mar-92	30-Jul-92	Adoption of Small Business Initiatives	The rule facilitates the access of small businesses into public markets through actions that revise the structure of Regulation A and Regulation D and create an integrated registration and reporting system for small business issuers.	Market Cap (as proxy for public float) below 25m	decrease	Issuance/Process	Small firms
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