

# **SEC Approves NASDAQ Board Diversity Rules**



On August 6, 2021, the U.S. Securities and Exchange Commission [approved](#) Nasdaq's [Board Diversity Rules](#) (the "Rules"). The Rules require Nasdaq-listed companies to have or explain why they do not have at least two diverse directors. Companies are also required to annually disclose statistical information on board diversity using a standardized [board diversity matrix](#). To assist companies in identifying diverse directors, the SEC also approved [rules](#) that provide Nasdaq-listed companies with free access to a variety of board recruiting services. The Rules apply to nearly all Nasdaq-listed companies, including Smaller Reporting Companies and, with some accommodations for home country requirements, Foreign Private Issuers. The requirement to have or explain the lack of diverse directors becomes effective in two steps that will affect proxy statements for annual meetings of calendar year-end companies in 2023 and 2025 (2023 and 2026 for companies listed on The Nasdaq Capital Market). The requirement to disclose board diversity factors using the Nasdaq [matrix](#) will apply to proxy statements for annual meetings of calendar year-end companies starting in 2022.

Read the full insight [here](#).

Goodwin previewed the now approved Nasdaq Board Diversity Rules in its December 2020 ["Nasdaq Takes a Stand: Board Diversity is Good Corporate Governance, Not a Trend"](#) blog post.