



ICGN

International Corporate Governance Network

By email: rule-comments@sec.gov

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, Northeast
Washington D.C. 20549
USA

10 August 2011

Dear Ms. Murphy,

Re: File No. 4-637, Petition to Require Public Companies to Disclose to Shareholders the Use of Corporate Resources for Political Activities

The International Corporate Governance Network (ICGN) is a not for profit body, founded in 1995, which has evolved into a global membership organisation of over 500 leaders in corporate governance in 50 countries, with institutional investors representing assets under management of around US\$18 trillion.

The ICGN's mission is to raise standards of corporate governance worldwide, through the work of its membership and its committees, and to promote best practice guidance, encourage leadership development and keep our members informed on emerging issues in corporate governance. One of the ICGN's committees is its Business Ethics Committee, whose focus to date has been on issues relating to anticorruption and political lobbying and donations.

In this context the ICGN would like to voice its support for the recent petition that was sent to you on August 3, 2011 by the Committee on Disclosure of Corporate Political Spending, advocating a rulemaking project to require disclosure of corporate political spending to public company shareholders. The ICGN concurs with this group of academic experts in corporate and securities law that more robust disclosure of corporate political spending is of interest to investors. While the ICGN's purview is a global one, we believe this matter is particularly relevant in the United States given last year's Supreme Court decision in *Citizens United v. FEC*, which confirmed the rights of U.S. companies to provide funding for political purposes.

The ICGN recognises that corporate political activity can be positive. However when corporate resources are deployed to seek political influence there is also potential for abuse. In the extreme this can lead to serious breaches of business ethics, particularly when influence is sought through corrupt practices or in ways that are not consistent with promoting the long-term interests of the company and its investors.

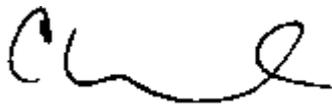
Given these concerns we believe that disclosure of corporate political spending is only a basic first step to ensure transparency and accountability of corporations to their investors. Indeed, the ICGN is publishing a broader guidance statement on corporate political lobbying and donations later this year and I have taken the liberty of sending you a draft copy as attached. This document will advocate a set of best practices relating to corporate political influence, addressing corporate policies, procedures, board oversight, transparency and disclosure and relevant shareholder approvals. This ICGN initiative reflects the significant, and

growing, interest of investors with regard to corporate political activity. However, while best practices are important, this is not a substitute for disclosure, because absent disclosure investors would not know whether companies are following these practices.

We hope this puts into a clearer context our support of the petition put forward by the Committee on Disclosure of Corporate Political Spending, and from our perspective as investors we encourage the Securities and Exchange Commission to adopt the rulemaking project on corporate political spending as outlined in this petition.

If you would like to discuss any of these points, please do not hesitate to contact Carl Rosén, our Executive Director, at +44 207 612 7098 or carl.rosen@icgn.org.

Yours sincerely,



Christianna Wood
Chairman, ICGN Board of Governors



George Dallas
Chair, ICGN Business Ethics Committee

cc.

Mary Schapiro, Chairman, Securities and Exchange Commission
Lucian Bebchuk, Co-Chair, Committee on Disclosure of Corporate Political Spending
Robert J. Jackson, Jr., Co-Chair, Committee on Disclosure of Corporate Political Spending