



**U.S. Securities and  
Exchange Commission**

# STRATEGIC PLAN

FISCAL YEARS 2022-2026

- ▶ Protecting Investors
- ▶ Maintaining Fair, Orderly, and Efficient Markets
- ▶ Facilitating Capital Formation



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## Message from the Chair



I am pleased to present the Securities and Exchange Commission's Strategic Plan for FY 2022 through FY 2026.

The SEC oversees our over \$100 trillion capital markets, representing 38 percent of the capital markets worldwide. The SEC pursues our three-part mission: to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

Our Strategic Plan focuses on three goals that advance our mission:

1. Protect working families against fraud, manipulation, and misconduct;
2. Develop and implement a robust regulatory framework that keeps pace with evolving markets, business models, and technologies; and
3. Support a skilled workforce that is diverse, equitable, and inclusive and is fully equipped to advance agency objectives.

We can't take our leadership in capital markets for granted. Technology and business models always are changing, and it is important for our agency to evolve in kind. Even gold medalists need to practice and hone their craft, especially to ensure that they stay ahead of the other nations who wish to surpass them.

We can support the public through continuing to invest in our talented staff and update our agency's rules and approaches. Through the goals laid out in this Strategic Plan, we will continue to bring a skilled and steady hand to the capital markets of a changing world.





Gary Gensler


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## About the SEC

The SEC is an independent federal agency, established pursuant to the Securities Exchange Act of 1934, headed by a five-member Commission. The Commissioners are appointed by the President and confirmed by the Senate. The President designates one of the Commissioners as the Chair.


The federal securities laws task the SEC with a broad and diverse set of responsibilities, including to:

- Engage and interact with the investing public, directly and on a daily basis, through a variety of channels, including investor roundtables, education programs, and alerts on [SEC.gov](https://www.sec.gov); 
- Oversee annual trading of approximately \$118 trillion in U.S. equity markets, \$2.8 trillion in exchange-traded equity options, and \$237 trillion in the fixed income markets;
- Selectively review the disclosures and financial statements of approximately 5,248 exchange-listed public companies with an aggregate market capitalization of \$51 trillion;
- Oversee the activities of more than 29,000 registered entities, including investment advisers, mutual funds, exchange-traded funds, broker-dealers, and transfer agents, who collectively employ at least 1 million individuals in the United States; 
- Oversee 24 national securities exchanges, 9 credit rating agencies, 7 active registered clearing agencies, the Public Company Accounting Oversight Board (PCAOB), the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB), the Securities Investor Protection Corporation (SIPC), and the Financial Accounting Standards Board (FASB); and
- Provide critical market information through technology systems, such as the more than 70 million pages of documents available on the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.


The members of the Commission act jointly to set and enforce the rules that govern the securities markets and its participants. The Chair is responsible for overseeing the executive and administrative functions of the agency. This includes supervision over approximately 4,500 staff members who are organized into 6 divisions and 25 offices located in the Washington, DC, headquarters and 11 regional locations. This Strategic Plan sets forth the Chair's vision for the next four years. It was developed in consultation with, and with input from, all Commissioners, but may not necessarily represent the views of all Commissioners. 

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## Our Mission


To protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. 


## Our Vision

To promote capital markets that inspire public confidence and provide a diverse array of financial opportunities to retail and institutional investors, entrepreneurs, public companies, and other market participants. 


## Our Values

**INTEGRITY** We inspire public confidence and trust by adhering to the highest ethical standards.

**EXCELLENCE** We are committed to excellence in pursuit of our mission on behalf of the American public. 

**ACCOUNTABILITY** We embrace our responsibilities and hold ourselves accountable to the American public. 

**TEAMWORK** We recognize that success depends on a skilled, diverse, coordinated team committed to the highest standards of trust, hard work, cooperation, and communication.

**FAIRNESS** We treat investors, market participants, and others fairly and in accordance with the law. 

**EFFECTIVENESS** We strive for innovative, flexible, and pragmatic regulatory approaches that achieve our goals and recognize the ever-changing nature of our capital markets.

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## Our Goals

### Protecting Working Families and Investors in America's Markets; Maintaining a Robust, Relevant Regulatory Framework; Supporting a Skilled and Diverse Workforce

The United States has the largest, most sophisticated, and most innovative capital markets in the world. U.S. capital markets represent 38 percent of the global capital market. Companies and investors access the U.S. capital markets at a higher rate than do market participants in other economies with their respective markets. For example, debt capital markets account for 80 percent of financing for non-financial corporations in the United States. By contrast, outside the United States, nearly 80 percent of lending to such firms comes from banks. U.S. capital markets continue to support American competitiveness on the world stage because of the strong investor protections the SEC offers.

The United States cannot take its remarkable capital markets for granted. New financial technologies continue to change the face of finance for investors and businesses. Global markets are inextricably linked, with money flowing between them in microseconds.

While more retail investors than ever before are accessing U.S. markets, other countries are developing competitive markets.



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The securities markets touch many American lives, whether those individuals are investing for the future, borrowing for a mortgage, taking out an auto loan, or taking a job with a company raising money from U.S. capital markets. A record 67 million U.S. families held direct and indirect stock holdings in 2019.<sup>1</sup>

The SEC’s long-standing three-part mission—to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation—remains its touchstone. The core principles the agency has applied over the past 88 years to carry out this mission are timeless: requiring issuers raising capital to make full and fair disclosures to investors on a regular basis; placing heightened responsibilities on key market participants; and using SEC examination and enforcement resources to bolster those requirements and protect investors.

This Strategic Plan details how the SEC will continue to fulfill its critical mission over the next four years by focusing activities on protecting working families; maintaining a robust, relevant regulatory framework; and supporting a skilled, diverse workforce. Each of these strategic goals is described in turn below.



## GOAL 1. Protect working families against fraud, manipulation, and misconduct

To protect working families and everyday investors, the SEC will continue to work toward ensuring markets are free of fraud, manipulation, and other misconduct—not only through its rulemaking, but through its enforcement and examination programs as well.

Enforcement is about following the facts and the law, wherever they may lead. It also means bringing cases that matter to all parts of the SEC’s mission—whether it be deceptive conduct by registered or private funds, offering or accounting frauds, insider trading, market manipulation, failures to act in retail customers’ best interests when making a recommendation, reporting violations, best execution and failure to act in accordance with the fiduciary duty, or any other form of misconduct.

The SEC must work to ensure the law is enforced aggressively and consistently. In light of evolving technologies, the SEC must be more vigilant than ever, which requires it to reassess the tools, methods, and approaches used in the past and adapt them to modern markets.




Most importantly, as U.S. markets inevitably change, the SEC should continue to deploy its resources in ways that center on the interests of working families.

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<sup>1</sup> Data drawn from the public version of triennial Survey of Consumer Finances (SCF): [federalreserve.gov/econres/scfindex.htm](https://www.federalreserve.gov/econres/scfindex.htm). The SCF is sponsored by the Board of Governors of the Federal Reserve System with the cooperation of the U.S. Department of the Treasury. The 2019 SCF is the most recent survey.

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## 1.1 Pursue enforcement and examination initiatives focused on identifying and addressing risks and misconduct that affects individual investors

It is often said to “treat like cases alike.” The same is true of the financial sector. All financial activities should be subject to consistent and efficient regulation and enforcement, regardless of the entity, the technology, or the business model. The SEC will continue to look at the economic realities of a given product or arrangement to determine whether it complies with the securities laws. Accountability and deterrence are core goals of the enforcement program and in seeking remedies, the agency considers whether that resolution sufficiently promotes both specific and general deterrence. The SEC will continue to pursue misconduct wherever its staff find it and will use all of the tools in its toolkit to deter those who might choose to violate the securities laws, including by holding bad actors—including responsible individuals—accountable. The SEC will also continue to work in parallel with its fellow federal agencies, law enforcement authorities, international regulators, and self-regulatory organizations. The SEC’s examinations program will continue to focus on uncovering key risks and violations that could impact individual investors, from cybersecurity to private fund adviser conflicts of interest.   
  


## 1.2 Enhance the use of market and industry data, particularly to prevent, detect, and enforce against improper behavior.

As markets evolve and become continually more driven by data and technology, the SEC needs to continually improve its capabilities to manage and analyze data. The agency must remain focused on how it can best use technology and data analytics to surveil the markets, promote competition, and enforce the law. To better prevent, detect, and enforce against improper behavior, the SEC should continue to develop and implement faster and more comprehensive methods to allow the Divisions of Enforcement and Examinations to leverage data. 

The SEC must also continue to employ timely, cutting-edge data analysis that helps accomplish its regulatory mission; provide well-structured, material data to investors; and manage data as a strategic asset.



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The complexity and interconnectedness of markets today requires the SEC to build out its systemic risk identification abilities. This relates to the mission to maintain “orderly” markets. To ensure an ongoing proactive approach, the agency needs to continue to enhance its market knowledge and oversight capabilities to better identify, understand, analyze, and respond effectively to market developments and risks.

This can be achieved by expanding disclosure and analytical tools, broadening the use of machine learning and artificial intelligence, developing long-term risk analysis directly connected to policy development, and focusing on more strategic and collaborative analysis across all regulated activities. Additionally, the SEC must continue to expand the use of economic, risk, and data analysis to inform how it sets regulatory priorities and focus staff resources, including maturing a data management program that treats data as an SEC-wide asset with appropriate data protections, enabling rigorous analysis in a cost-efficient manner.

### 1.3 Modernize design, delivery, and content of disclosures so investors, including in particular retail investors, can access consistent, comparable, and material information to make informed investment decisions.

The markets have begun to embrace the necessity of providing a greater level of disclosure to investors. From time to time, the SEC must update its disclosure framework to reflect investor demand. Today, investors increasingly seek information related to, among other things, issuers’ climate risks, cybersecurity hygiene policies, and their most important asset: their people. In order to catch up to that reality, the agency should continue to update the disclosure framework to address these areas of investor demand, as well as continue to take concrete steps to modernize the systems that support the disclosure framework, to make public disclosures easier to access and analyze and thus more decision-useful to investors.



## **GOAL 2.** Develop and implement a robust regulatory framework that keeps pace with evolving markets, business models, and technologies

Capital markets are being shaped by innovation and new technologies. Many of these developments will enable greater access to capital markets. They also bring new financial products, business models, and competitors into the markets. At the same time, however, this dynamic places additional demands on SEC resources—not only in examinations and enforcement matters, but also in new rulemakings and policy areas.

Transaction costs have come down, and efficiency and fairness have increased in many markets. However, increased use of, and reliance on, technology has introduced new risks and, in some cases, amplified better-known market risks. For example, cybersecurity threats to the complex system that helps the markets function are constant and growing in scale and sophistication.

Similarly, markets are more interconnected and interdependent than ever. They function on a 24-hour cycle and cut across geographic barriers. Information from one market travels to others in fractions of a second. Trillions of dollars of capital flow across markets each day—amounts that would have been unimaginable only a few decades ago. These developments create regulatory and oversight challenges as the operations of large investment firms extend well beyond U.S. borders, and new entrants to U.S. markets seek to avoid or evade U.S. securities laws. The need for coordination with fellow financial regulators, including foreign regulators, will continue to rise.

### **2.1** Update existing SEC rules and approaches to reflect evolving technologies, business models, and capital markets.

The ongoing movement of assets into private or unregulated markets, the continual creation of new financial instruments and technologies, and the challenges of increased globalization all require the agency to rapidly update and evolve.

To do so, the SEC must enhance transparency in private markets and modify rules to ensure that core regulatory principles apply in all appropriate contexts. To maintain the integrity of the markets, the SEC needs to develop specific regulations to ensure investors remain informed and protected via a broad-based disclosure frameworks.

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The agency must also continue to focus on supervising global entities appropriately. Inherent in the interplay with international markets is the challenge of protecting sensitive information when coordinating with other regulators. Consistent data protection policies are essential for this effort.

## 2.2 Examine strategies to address systemic and infrastructure risks faced by our capital markets and our market participants.

Future market volatility driven by market or external events such as the pandemic, the evolution of markets without subsequent strengthening of agency authorities, and the rapid growth in crypto assets all represent evolutionary risks.

To be better prepared for, and more agile in, its response to such risks in the future, the SEC must pursue new authorities from Congress where needed, continue to effectively collaborate with other regulators, and engage more proactively on digitization initiatives.

## 2.3 Recognize significant developments and trends in our evolving capital markets and adjust our activities accordingly.

To help ensure a systematic, timely, and collaborative response to market developments, the SEC must continue to apply its three-part mission holistically, not in isolation. Investor education and outreach must continue to focus on diverse and underserved communities as well as on emerging and popular investment topics. These efforts should reflect input from stakeholders, including retail investors, via proactive outreach, roundtables, and field hearings.

The SEC must also continue to enhance its expertise in, and devote increased resources to, product markets beyond equities—including crypto assets, derivatives, and fixed income—and maintain a nimble and flexible approach to address market changes expeditiously.

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## **GOAL 3.** Support a skilled workforce that is diverse, equitable, and inclusive and is fully equipped to advance agency objectives



The SEC recognizes that people are the agency’s most important asset. Leadership also recognizes diversity, equity, inclusion, and accessibility are essential to the agency’s ability to effectively carry out its mission. The federal government strives to be the model for equal employment opportunity. The SEC understands diversity is a strength that leads to innovation and excellence. Therefore, it will continuously work to attract, hire, develop, and retain high-quality, diverse talent. Doing so allows the agency to build and maintain a workforce that reflects a diversity of backgrounds and experiences, as well as the diversity of the investors and market participants it serves.

The SEC also must continue to consistently innovate and improve the technology and processes supporting its people to best position them to fulfill its critical mission. The SEC must continue to leverage data and technology, both as an enterprise and within its individual programs, to gain efficiencies, inform policymaking, and uncover risk. The SEC must also continually strengthen collaboration and optimize agency workflows to maximize its effectiveness.

### **3.1** Focus on the workforce to increase capabilities, leverage shared commitment to investors, and promote diversity, equity, inclusion, accessibility, and equality of opportunity.

A diverse, effective, and highly-skilled workforce is essential to the SEC’s success in protecting the public and fulfilling its mission. To support those efforts, the SEC will focus on recruiting, training, and retaining staff with the right mix of skills, experience, and expertise. This includes setting workforce policies and practices that harness the lessons of the pandemic and promote effective interaction and collaboration among individuals and teams. The agency also will continue to promote diversity, equity, inclusion, and mutual respect within its workforce to ensure every staff member has the chance to contribute and succeed. To that end, the SEC will continue to identify and advance initiatives that support equal access for everyone, including those from underserved communities.

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## **3.2 Promote collaboration within and across SEC offices, including through rotation and detail programs, and maximize telework opportunities.**

In order to maintain maximum flexibility in responding to market trends and technological innovations, it is important to provide collaboration and cross-training opportunities to more employees agency-wide. By encouraging employee rotations and details, the agency will be able to think more globally, analyze the market more comprehensively, and respond more expeditiously to events. Additionally, building the agency's knowledge management capabilities will strengthen its overall resilience and limit the potential for any damage from a single point of failure in any one subject matter area. It is also important that the agency find ways to harness the benefits of telework as highlighted during the pandemic, while also maintaining the collaboration and culture-building that comes from in-office presence.

## **3.3 Enhance the agency's internal control and risk management capabilities, including by the development of a robust and resilient program for dealing with threats to the security, integrity, and availability of the SEC's systems and sensitive data.**

Being good stewards of the resources and programs entrusted to the SEC's care requires a thorough understanding of risks and effective internal controls. Across the agency, the SEC must continually reassess its risks, including in new areas such as climate risk, and document necessary controls. One of the most important areas of focus will be data and information security to optimize controls on systems and data based on risk. This includes understanding and managing the risks associated with the SEC's vendors and supply chains.

## **3.4 Modernize the SEC's technology to enable the mission in a cost-effective, secure, and resilient manner.**

Technology continues to revolutionize the world's markets, and its effective use is critical for the SEC to be effective at its work. With the proper continued investments, technology can enable the SEC to gain new insights into the markets it oversees, uncover frauds, and help agency programs generate more value for the public. The SEC is moving aggressively to the cloud, remaking its technology environment to optimize capabilities, costs, resilience, and security for the agency as a whole. The SEC also will continue to invest in modernizing key enabling systems, innovate with new technologies such as machine learning, enhance its workforce's ability to manage and leverage technology, and, as described above, focus on the security of its information systems.

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## How This Plan Was Developed

The SEC values independent, high-quality assessments of its performance against its goals and desired strategic objectives. Such assessments help gauge our progress so we can take action, as needed, to refine our programs or allocate resources accordingly. Various audits, studies, and evaluations of SEC programs and securities industry-related issues have been completed since the release of the agency's previous Strategic Plan, and these have served as an important resource in the development of this Strategic Plan. In particular, the SEC considered the findings from independent audits of the agency's performance conducted by the SEC's Office of Inspector General and the Government Accountability Office. The SEC also considered the results of internal assessments and evaluations of the agency's performance, including those reported in the agency's most recent Annual Performance Report. Over the next four years, the SEC will continue to draw on evaluations from a variety of sources to improve its programs.

In developing the Strategic Plan, the SEC took into account the information gleaned from meetings with the many internal and external parties with which the agency interacts on a regular basis, including members of Congress and congressional committees, investors, businesses, financial market participants, academics, and other experts and stakeholders. This includes formal outreach efforts through the SEC's advisory committees; Commission-sponsored roundtables focused on specific issues; the agency's Annual Government-Business Forum on Capital Formation; the SEC's annual conference with the North American Securities Administrators Association; and solicitations of public comments on Commission rule proposals. Further, by publishing this Strategic Plan for public review and comment, the SEC hopes to gain the benefit of additional outside perspectives.

While the initiatives outlined in this Strategic Plan are intended to address its top priorities over the next four years, it must be mentioned that there are, of course, risks to, and limitations on, the SEC's ability to achieve its strategic goals. Some of these risks and limitations are operational in nature, such as those pertaining to key technology systems or oversight of outside vendors who support SEC programs, while other risks result from external sources such as new forms of fraud, evolution of financial products, or changes to funding levels and the availability of qualified personnel. Accordingly, the SEC continues to build its enterprise risk management program, supported by representatives from SEC divisions and offices, to strengthen its ability to proactively identify, assess, and mitigate risks to attaining its mission.



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