

Dividend and Stock Buyback Restrictions Could Hurt Businesses in Recovery

There is a growing appetite to extend stock buyback and dividend restrictions to businesses participating in Federal Reserve facilities. These restrictions are against the intent of the CARES Act and would turn businesses away from utilizing the facilities, and the Chamber is pushing back on the idea.

On Tuesday, May 26th, Center for Capital Markets Competitiveness Executive Vice President Tom Quaadman drove this message home as part of a roundtable hosted by the House Financial Services Committee titled, "Examining the Impacts of the COVID-19 Pandemic on U.S. Capital Markets." This was a productive discussion around the steps taken to help the economy during the pandemic and to discuss potential actions still needed. Tom applauded actions taken by Congress, the Administration, and the Federal Reserve to mitigate the economic impact of the pandemic and also referenced some important statistics to help underline how dividend and stock buyback restrictions would be harmful. "The Main Street Lending Program, expected to come online in days, is targeted to help middle-market companies that employ 68 million Americans."

[Watch the recording of this roundtable.](#)