

SEC Publishes Guidance on COVID-19 Disclosure and Securities Law Obligations

Alert

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The SEC's Division of Corporation Finance published formal disclosure guidance and other views of securities law compliance for public companies with respect to COVID-19.

- On disclosure matters, the guidance recognizes that it may be difficult to assess or predict with precision the broad effects of COVID-19 on industries or individual companies. The guidance also acknowledges that the actual impact will depend on many factors beyond a company's control and knowledge.
- Even though the SEC recognizes the uncertainty and difficulty in assessing the impact of COVID-19 on a company's business, the SEC reminds companies of the existing requirements under the federal securities laws to disclose known trends and uncertainties, including the known or reasonably likely effects of, and the types of, risks presented by COVID-19. As a result, disclosure of these risks and COVID-19-related effects may be necessary or appropriate in management's discussion and analysis, including the business section, risk factors, legal proceedings, disclosure controls and procedures, internal control over financial reporting, and the financial statements.
- The guidance also reminds public companies and related persons to comply with insider trading laws.
- The SEC also addresses earnings releases and offers some limited relief with respect to the use of non-GAAP financial measures.

Read an expanded analysis of the SEC guidance on [Stinson's Corporate and Securities Law blog](#).

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