

Client Alert: SEC Amends Disclosure Requirements for Business, Legal Proceedings, and Risk Factors Sections of Registration Statements and Periodic Filings

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On August 26, 2020, the Securities and Exchange Commission, or the Commission, finalized amendments to its rules relating to the disclosure of public companies' description of business, legal proceedings, and risk factors. The amendments include adding materiality thresholds to certain disclosure requirements and expanding the use of incorporation by reference, which together are intended to improve the quality of disclosures and reduce compliance costs. The amendments also impose new requirements on the presentation of risk factors in response to the growing length of such disclosures.

These updates are the latest from the Commission's review of Regulation S-K pursuant to the JOBS Act and FAST Act. Such legislation tasked the Commission with determining how disclosure requirements can be modernized and simplified. Even though some of the amendments formalize in Commission rules what has been common practice for many public companies, in total the changes reflect the Commission's continuing move towards principles-based disclosure and away from prescriptive requirements where feasible. The rules are effective 30 days after publication in the Federal Register.

To read the full article, please [click here](#).

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