

AN ALERT FROM THE BDO NATIONAL ASSURANCE PRACTICE

BDO FLASH REPORT

SEC MATTERS



SUBJECT

SEC PUBLISHES CONCEPT RELEASE ON REGULATION S-K

DETAILS

On April 13th, the Securities and Exchange Commission published a concept release on Regulation S-K. The release is part of the *Disclosure Effectiveness Initiative*, an ongoing broad-based staff review of the SEC's disclosure rules to consider ways to improve the requirements for companies and investors. The release follows the SEC's request for comment on the effectiveness of certain financial disclosure requirements of Regulation S-X published in September 2015.¹

The release focuses on the business and financial disclosures that Regulation S-K requires in companies' periodic reports, many of which have not changed since they were first adopted over thirty years ago. The release seeks input from investors and registrants in the following areas:

- ▶ The overall disclosure framework (e.g., the concept of materiality)
- ▶ Information intended for investment and voting decisions, including:
 - Core company business information (e.g., narrative description of business)
 - Company performance, financial information, and future prospects (e.g., selected financial data and management's discussion and analysis)
 - Risk and risk management (e.g., risk factors)
 - Securities of the registrant (e.g., description of capital stock)
 - Industry guides (e.g., Guide 3 for bank holding companies)

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¹ Further information regarding the request for comment can be found [here](#) in our Flash Report. Our comment letter can be found [here](#).

- Public policy and sustainability matters (e.g., environmental, social and governance concerns)
 - Exhibits (e.g., material contracts)
 - Scaled requirements for certain registrants (e.g., smaller reporting company and emerging growth company reporting relief)
- ▶ Presentation and delivery of important information (e.g., the use of hyperlinks or cross-referencing)

The concept release can be found [here](#) on the SEC's website. Comments should be provided within 90 days following publication of the release in the Federal Register.

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