

SEC Proposes Updated Disclosure Rules for Business Description, Legal Proceedings and Risk Factors

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The SEC has proposed updated rules for the business description, legal proceedings and risk factor disclosure that U.S. companies make in registration statements, annual reports and quarterly reports. This proposal is part of the SEC's continuing effort, mandated by Congress, to improve disclosure for investors while simplifying compliance requirements for companies.

The changes include:

- The proposals regarding business description emphasize a principles-based, rather than prescriptive, approach and are intended to give a company more flexibility to focus on what is important or unique to it.
 - The SEC proposed expanded disclosure of a company's human capital and invited comment on whether it should add non-exclusive examples of measures or objectives that may be material in this area.
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If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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