

# SEC Eases the Burden of Financial Reporting for Guaranteed and Secured Debt to Encourage Registered Offerings

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The SEC has historically imposed burdensome financial statement requirements on companies that issue debt that is either guaranteed by subsidiaries or secured. Because most high yield debt is guaranteed and/or secured and investors have not found such information useful, virtually all high yield debt offerings in recent years have been conducted on an unregistered basis. On March 2, 2020, the SEC voted to adopt amendments that significantly reduce the financial disclosures required and focus on information that is material to investors. Our memo explains the changes, which the SEC hopes will significantly increase the number of registered high yield debt offerings.

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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## Related materials

[2020-03-12\\_sec\\_amends\\_rules\\_relating\\_to\\_financial\\_disclosure\\_requirements\\_for\\_registered\\_debt.pdf](#)