

SEC Chairman Issues Public Statement Encouraging Public Companies to Make Prompt COVID-19 Disclosure; No Action on Certain Proposed Rule Making until May 1

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by Jason Brenkert

On April 2, 2020, SEC Chairman John Clayton, issued a public statement amid the ongoing COVID-19 pandemic. In the statement, Chairman Clayton stated that the Commission and its staff remain focused on protecting the interests of Main Street investors who are “the lens through which” the Commission evaluates if it is effectively advancing its mission and noting that the Commission “continue[s] to allocate [its] resources in the best interests of investors and... capital markets, with investor protection and market integrity front of mind.”

As part of the statement, Chairman Clayton emphasized that the Commission is “keenly focused on ensuring that issuers and other registrants continue to provide material information to investors, including information related to the current and expected effects of COVID-19, as promptly as practicable.”

Chairman Clayton also referenced the recent Commission notification that while the comment period on a variety of proposed actions had closed in March 2020, the Commission would not take final action on those items in the coming weeks to allow potential commenters more time to submit comments for consideration if needed. He noted that the Commission does not expect to move forward on any of these proposed actions before May 1, 2020. These actions include:

- Amendments to Rule 2-01, Qualifications of Accountants;
- Amending the “Accredited Investor” Definition;
- Disclosure of Payments by Resource Extraction Issuers;
- Use of Derivatives by Registered Investment Companies and Business Development Companies; Required Due Diligence by Broker-Dealers and Registered Investment Advisers Regarding Retail Customers’ Transactions in Certain Leveraged/Inverse Investment Vehicles;
- Notice of Proposed Order Directing the Exchanges and the Financial Industry Regulatory Authority to Submit a New National Market System Plan Regarding Consolidated Equity Market Data; and

Related People

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Related Capabilities

- Corporate Governance & Compliance
- Mergers & Acquisitions
- Government Enforcement & Corporate Investigations

- Proposed Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds.

Issuers and other interested parties that desire to submit comments on these proposed actions are encouraged to do so on the most reasonable possible timeframe prior to May 1, 2020.