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# SEC Expects that Upcoming Earnings Reports and Related Investor and Analyst Calls Will Not be Routine, Should Be Forward-Looking

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In light of the COVID-19 pandemic, SEC Chair Clayton and Director William Hinman have issued a joint statement urging public companies to provide as much information as is practicable regarding their current financial and operating status, as well as their future operational and financial planning, in upcoming earnings releases and analyst and investor calls. Specifically:

- Company disclosures should reflect this state of affairs and outlook and, in particular, respond to investor interest in: (1) where the company stands today, operationally and financially, (2) how the company's COVID-19 response, including its efforts to protect the health and well-being of its workforce and its customers, is progressing, and (3) how its operations and financial condition may change as all our efforts to fight COVID-19 progress. Historical information may be relatively less significant.

The Division of Corporation Finance recently provided a useful list of questions for companies to consider with respect to their present and future operations.

Chair Clayton and Director Hinman noted that detailed discussions of current liquidity positions and expected financial resource needs; efforts to protect worker health and well-being and customer safety; and the nature, amounts and effects of financial assistance under the CARES Act or other similar federal and state programs, will be particularly helpful disclosure for investors and markets.

- They emphasized that it will be important, though challenging, to provide detailed and future-facing information regarding operating conditions and resource needs. Companies are to avoid boilerplate and to make reasonable efforts to convey meaningful information. Chair Clayton and Director Hinman acknowledged that forward-looking statements will be based on a mix of assumptions, most notably, the time frames for current COVID-19 social distancing guidelines and other mitigation-related requirements.

Companies are encouraged to avail themselves of the safe-harbors for forward-looking statements. Chair Clayton and Director Hinman would not expect good faith attempts to provide appropriately framed forward-looking information to be second guessed by the

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- Cam C. Hoang

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Click here for some thoughts on preparing forward-looking disclosure during the COVID-19 pandemic.