



## ALERTS

### SEC Adopts Amendments To Modernize And Simplify Disclosure Requirements

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On March 20, 2019, the Securities and Exchange Commission (SEC) [adopted amendments to modernize and simplify certain disclosure requirements](#) for public companies, investment advisers, and investment companies in Regulation S-K, related rules and forms.

These amendments were adopted in connection with the 2015 Fixing America's Surface Transportation Act (FAST Act), which was based on the SEC's report to Congress. The FAST Act Report was published in 2016.

The adopted rules are mostly technical, but reflect a broader approach by the SEC to reduce costs and burdens on registrants and improve the readability and navigability of disclosure documents, while continuing to provide material information to investors. The amendments are expected to benefit investors by eliminating outdated and unnecessary disclosures, making it easier for them to access and analyze such material information.

Specifically, the amendments will, among other things, increase flexibility in the discussion of historical periods in the Management's Discussion and Analysis (MD&A) section of a registrant's periodic filings under the Securities Exchange Act of 1934 and registration statements under the Securities Act of 1933. The amendments will allow a company to omit discussion of the oldest year in a three-year period if that information was previously reported and is no longer considered material. The MD&A section is among the most labor-intensive responsibilities a registrant has when drafting periodic filings and registration statements, and the

## RELATED PEOPLE



**David P. Hooper**

Partner  
Indianapolis

P 317-231-7333  
F 317-231-7433  
[david.hooper@btlaw.com](mailto:david.hooper@btlaw.com)



**Thomas J. Lyons, III**

Associate  
Indianapolis

P 317-261-7844  
F 317-231-7433  
[tlyons@btlaw.com](mailto:tlyons@btlaw.com)

## RELATED PRACTICE AREAS

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changes are intended to ease that process.

Here are a few of the most critical amendments:

- Companies will be allowed to omit confidential information from most exhibits to periodic filings and registration statements without filing a confidential treatment request (CTR). This will represent a significant change for many companies that have filed CTRs in the past to protect competitively sensitive information in material contracts and other exhibits filed with the SEC.
- Companies' rights to seek confidential protection of personally identifiable information will be expanded.
- Companies will be encouraged to incorporate technology to improve access to information on the cover page of certain filings and to expand the use of hyperlinks.
- Certain other revisions to the risk factor and property disclosure requirements in Regulation S-K.

The amendments will be effective 30 days after they are published in the Federal Register, except that the amendments relating to CTRs will become effective upon publication in the Federal Register.

The information in the following table highlights some of the more significant aspects of the amendments described above. It does not reflect all of the amendments or all of the rules and forms that are affected.

Rule	Summary Description of Amended Rules	Principal Objective
Regulation S-K, Item 303 and Form 20-F	Registrants will generally be able to exclude discussion of the earliest of three years in the MD&A if they have already included the discussion in a prior filing.	Simplify disclosure requirements to reduce repetition, reduce costs and burdens to registrants, focus disclosure on material information and improve readability.
Regulation S-K, Items 601(b)(10) and 601(b)(2) and investment company registration forms	Registrants will be able to omit confidential information in material contracts and certain other exhibits without submitting a confidential treatment request to the SEC, so long as the information is (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.	Substantially reduce the burden borne by registrants in preparing and responding to confidential treatment requests while still providing all material information to investors.

Regulation S-K, Item 601(b)(10)	Only newly reporting registrants will be required to file material contracts that were entered within two years of the applicable registration statement or report.	Eliminate duplicative and unnecessary disclosure and reduce costs and burdens to registrants while still providing all material information to investors.
Regulation S-K, Item 601(a)(5) and investment company forms	Registrants will not be required to file attachments to their material agreements if such attachments do not contain material information or were not otherwise disclosed.	Reduce costs and burdens to registrants while still providing all material information to investors.
Regulation S-K, Item 102	Registrants will need to provide disclosure about a physical property only to the extent that it is material to the registrant.	Clarify and simplify the disclosure requirement to reduce costs and burdens to registrants, while focusing on material information.
Forms 8-K, 10-Q, 10-K, 20-F and 40-F	Registrants will be required to disclose on the form cover page the national exchange or principal U.S. market for their securities, the trading symbol, and title of each class of securities.	Improve investors' efforts to search news websites and stock market databases for information about registrants and distinguish among similarly named companies.
Securities Act Rule 411(b)(4); Exchange Act Rules 12b-23(a)(3), and 12b-32; Investment Company Act Rule 0-4; and Regulation S-T Rules 102 and 105	Registrants will no longer be required to file as an exhibit any document or part thereof that is incorporated by reference in a filing, but instead will be required to provide hyperlinks to documents incorporated by reference.	Improve readability and navigability of disclosure documents and discourage repetition.
Forms 10-K, 10-Q, 8-K, 20-F and 40-F.	Registrants will be required to tag all cover page data in Inline XBRL.	Further enhance investors' use of interactive data to identify, count, sort, compare, and analyze registrants and their disclosures.

Regulation S-T Rules 102 105, 201, 202 and 311; Form N-CSR; and investment company registration forms	Investment companies will be required to file reports on Form N-CSR and registration statements and amendments thereto in HTML format and provide hyperlinks to exhibits and other information incorporated by reference.	Improve navigability of disclosure.
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To obtain more information regarding this alert, contact the Barnes & Thornburg attorney with whom you work, David P. Hooper, chair of the Securities and Capital Markets Practice Group, at 317-231-7333 or [dhooper@btlaw.com](mailto:dhooper@btlaw.com), or Thomas J. Lyons, III, at 317-261-7844 or [tlyons@btlaw.com](mailto:tlyons@btlaw.com).

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