



COMMENTARY

APRIL 2019

SEC Adopts FAST Act Amendments to Modernize and Simplify Disclosure Requirements

IN SHORT

The Situation: The U.S. Securities and Exchange Commission ("SEC") adopted amendments to modernize and simplify disclosure requirements in Regulation S-K and certain related rules and forms.

The Result: The amendments seek to improve investors' readability and accessibility to information with changes to the requirements around, among other things, a registrant's management discussion and analysis ("MD&A"), inclusion of confidential information in material contracts and certain other exhibits, incorporation by reference, and Inline XBRL tags.

Looking Ahead: While these amendments may streamline or reduce specified disclosure requirements, registrants will still need to assess materiality in drafting their SEC filings.

On March 20, 2019, the SEC adopted amendments to Regulation S-K and certain related rules and forms in an effort to improve investors' access to more readable disclosure. The changes relate to, among other things, MD&A disclosure requirements, confidential information in material contracts and certain other exhibits, incorporation by reference, and Inline XBRL tags.

The amendments are a part of the SEC's ongoing efforts under the FAST Act mandate and Disclosure Effectiveness Initiative to improve disclosure effectiveness and simplify compliance while providing all material information to investors. The amendments will become effective on May 2, 2019, except that: (i) the rules regarding the redaction of confidential information in certain exhibits were effective on April 2, 2019, upon publication in the Federal Register; and (ii) the data tagging requirements are subject to a three-year phase-in.

While these amendments may streamline and reduce disclosure burdens, registrants will still need to assess materiality in drafting their SEC filings, including any changes implemented to their MD&A, for potential omissions. Registrants should also consider the materiality of any changes in their exhibit disclosure practices based on their preferences to include or omit confidential information.

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TWO KEY TAKEAWAYS

1. While these amendments may streamline or reduce specified disclosure burdens, registrants will still need to assess materiality in drafting their SEC filings, including any changes implemented to their MD&A, for potential omissions.
2. Going forward, among other things, registrants should consider the materiality of any changes in



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their exhibit disclosure practices based on their preferences to include or omit confidential information and also ensure they implement the electronic tagging and hyperlink requirements to allow for more accessibility to material information.



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