
SEC Proposes Amendments to Financial Disclosures Relating to Acquired and Disposed Businesses

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On May 3, 2019, the Securities and Exchange Commission (the “SEC”) issued a release proposing amendments to the requirements in Rule 3-05, Rule 3-14 and Article 11 of Regulation S-X and related rules and forms for financial statements relating to acquisitions and dispositions of businesses. The SEC also proposed new financial disclosure rules, including proposed Rule 6-11 of Regulation S-X, for acquisitions involving investment companies registered under the Investment Company Act and business development companies (collectively, “investment companies”). These proposals are the product of the SEC’s ongoing evaluation of disclosure requirements, including feedback received in response to the Request for Comment on the Effectiveness of Financial Disclosures About Entities Other Than the Registrant issued in 2015. The proposed amendments are intended to improve financial information provided to investors, facilitate timely access to capital, and reduce complexity and costs associated with preparing financial disclosures.

Attached is the memorandum which discusses the amended rules and the SEC’s requirements.

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