
COVID-19 Disclosure: Guidance for Q2 Reporting

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As public companies prepare their second quarter earnings releases and Quarterly Reports on Form 10-Q, they will need to grapple with what to say to their shareholders about the implications of the COVID-19 pandemic and the various government regulations and initiatives that have been adopted in connection with the pandemic, including total business shut downs in many states and countries. While many companies have already made some COVID-related disclosure either following the end of the first quarter or in connection with securities offerings completed since March, for others, the full impact of the pandemic may have only taken shape in the second quarter, which includes a full three months of operations during the pandemic. Companies have had to make fundamental changes to the way they do business in order to survive and thrive. The implications of these changes and broader economic conditions may not be predictable, but companies need to face the challenge of providing sufficient disclosure, so the market can properly assess new risks and, in some cases, opportunities. This memorandum brings together in one place a brief summary of the SEC guidance regarding COVID-related disclosure and suggests approaches companies can use to craft robust disclosure under these evolving circumstances.

Attorney

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