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## SEC Updates Accounting Guidance for ‘Spring-Loaded’ Equity Awards

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The Securities and Exchange Commission (the “SEC”) recently updated its [guidance](#) on how public companies should account for equity compensation, including new interpretive guidance for estimating the “fair value” of equity awards when companies are in possession of material non-public information. In particular, the new guidance addresses the valuation assumptions required when accounting for stock options or other share-based compensation granted shortly before the announcement of positive, market-moving information (“spring-loaded awards”).

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