
SEC Proposes Amendments to Share Repurchase Disclosure Rules

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In December 2021, the Securities and Exchange Commission (the “SEC”) proposed amendments to its rules regarding disclosure of repurchases of an issuer’s equity securities, commonly referred to as buybacks. Pursuant to Item 703 of Regulation S-K, issuers currently are required to disclose in their periodic reports on a quarterly basis (or for foreign private issuers, on an annual basis) information as to any share repurchases by the issuer or any affiliated purchaser during such quarter, and the principal terms of all publicly-announced repurchase programs. However, issuers are not required to disclose the dates or other details of executed trades pursuant to a publicly-announced repurchase program. As a result, investors and others often are unaware of an issuer’s buyback activity until it is reported in periodic reports, typically long after the trades themselves have been executed. The proposals aim to address this information asymmetry.

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