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## An Update From Bodman PLC

Bodman PLC | [COVID-19 Response Team Website](#)

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### Updating Your Company's Disclosures in the Time of COVID-19

The outbreak of COVID-19 has had a broad impact on all businesses throughout the global economy. For U.S. public companies, consideration must be given to appropriate disclosure to shareholders and the public securities market regarding the historical impact of COVID-19, as well as future risks to the business from the pandemic and plans to address those risks, typically through annual and quarterly reports (Forms 10-K and 10-Q) filed with the U.S. Securities Exchange Commission. Companies should strive to make such disclosure tailored and meaningful to their situation, as the SEC staff has recently advised that generic statements that COVID-19 may have an impact on a company's performance may not be sufficient.

On March 25, 2020, the staff of the SEC's Division of Corporation Finance issued [guidance](#) regarding public company obligations under federal securities laws that companies should consider regarding COVID-19 and related business and market disruption disclosures. In that guidance the staff stated that, when considering these obligations, companies should apply a facts and circumstances analysis in order to disseminate information specific to a company's situation. Companies should aim to provide insight regarding their assessment of, and plans for addressing, material risks to their business and operating results from COVID-19 to the fullest extent practicable to keep investors and markets informed of material developments. The Chairman of the SEC and the Director of the SEC's Division of Corporation Finance issued a joint statement on April 8, 2020, providing further [guidance](#) regarding COVID-19 disclosures in upcoming reports and earnings calls, and urged companies to provide as much information as is practicable, not only about their current financial and operating status, but also their future operational and financial planning. The statement noted that companies making such forward-looking disclosures should take advantage of available safe-harbors for such statements, and assured that the SEC was not looking to second guess good faith attempts at such disclosure.

## **Where should COVID-19 be discussed in public company reports?**

It may be appropriate for public companies to discuss COVID-19, and the historical and potential future impact it has had on the company, in a number of sections of its Forms 10-K and 10-Q, including the following:

- Business description
- Risk Factors
- Management's discussion and analysis of financial condition and results of operations
- Cautionary note regarding forward-looking statements
- A new separate section

## **How can Bodman help your company?**

Bodman can help you sort through the guidance provided by the SEC and assist your public company in crafting appropriate and meaningful disclosure to shareholders and the public securities markets regarding the impact of COVID-19 and plans for the future.

For questions regarding COVID-19-related federal securities law disclosure obligations, and any other questions or issues your company may be facing, please call your Bodman Attorney or Mark Peters at 248-743-6043 or [mpeters@bodmanlaw.com](mailto:mpeters@bodmanlaw.com) or Carrie Leahy at 734-930-0120 or [cleahy@bodmanlaw.com](mailto:cleahy@bodmanlaw.com). Bodman cannot respond to your questions or receive information from you without first clearing potential conflicts with other clients. Thank you for your patience and understanding.