

SEC Adopts Amendments to Modernize Share Repurchase Disclosure

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The Securities and Exchange Commission (“SEC”) recently adopted amendments to modernize the disclosure requirements related to repurchases of an issuer’s equity securities by an issuer, an “affiliated purchaser” (as defined in Rule 10b-18(a)(3)) or any person acting on behalf of an issuer or affiliated purchaser (collectively, an “Issuer”). These amendments (the “Rules”) will significantly expand the disclosure required by public companies in connection with Issuer stock repurchases. However, notably, the SEC “dialed back” several disclosure requirements that were included in the proposed rules based on the views expressed in comment letters. For example, while the Rules require disclosure of *daily* share repurchase activity by Issuers in a tabular format, this disclosure will be required for public companies on a quarterly basis instead of the next business day. The SEC noted that it adopted the Rules to provide investors with enhanced information to assess the purposes and effects of Issuer repurchases. In addition to the tabular disclosures required by the Rules, companies will also be required to provide additional narrative disclosures on Issuer repurchases, as well as disclosures on Issuer-adopted Rule 10b5-1 trading plans (“10b5-1 Plans”) and checkbox disclosure on certain purchases and sales of securities by company insiders immediately before or after the announcement of a repurchase plan (as described below).

Companies that file on Forms 10-Q and 10-K (“Domestic Filers”) will be required to comply with the Rules beginning with their first filing covering a full fiscal quarter beginning on or after October 1, 2023, with foreign private issuers (“FPIs”) required to comply with respect to the first full fiscal quarter beginning on or after April 1, 2024.

Read the full article [here](#).