

## Press Release

---

# SEC Adopts Rules to Implement FAST Act Mandate to Modernize and Simplify Disclosure

**FOR IMMEDIATE RELEASE**  
**2019-38**

*Washington D.C., March 20, 2019 —*

The Securities and Exchange Commission today voted to adopt amendments to modernize and simplify disclosure requirements for public companies, investment advisers, and investment companies. These amendments are expected to benefit investors by eliminating outdated and unnecessary disclosure and making it easier for them to access and analyze material information.

The amendments, consistent with the Commission's mandate under the Fixing America's Surface Transportation (FAST) Act, are based on recommendations in the staff's FAST Act Report as well as a broader review of the Commission's disclosure rules. The amendments are intended to improve the readability and navigability of company disclosures, and to discourage repetition and disclosure of immaterial information. Specifically, the amendments will, among other things, increase flexibility in the discussion of historical periods in Management's Discussion and Analysis, allow companies to redact confidential information from most exhibits without filing a confidential treatment request, and incorporate technology to improve access to information on the cover page of certain filings.

"Investors will benefit from the SEC staff's exemplary work to improve disclosure," said SEC Chairman Jay Clayton. "The amendments adopted today demonstrate our focus on modernizing our disclosure system to meet the expectations of today's investors while eliminating unnecessary costs and burdens."

The amendments relating to the redaction of confidential information in certain exhibits will become effective upon publication in the Federal Register. The rest of the amendments will be effective 30 days after they are published in the Federal Register, except that the requirements to tag data on the cover pages of certain filings are subject to a three-year phase-in, and the requirement that certain investment company filings be made in HTML format and use hyperlinks will be effective for filings on or after April 1, 2020.

### **FACT SHEET** **FAST Act Modernization and Simplification of Regulation S-K** **March 20, 2019**

#### **Action**

The Commission voted to adopt amendments to modernize and simplify certain disclosure requirements in Regulation S-K, and related rules and forms, in a manner that reduces the costs and burdens on registrants while continuing to provide all material information to investors. The amendments are also intended to improve the readability and navigability of disclosure documents and discourage repetition and disclosure of immaterial information.

#### **Highlights**

Among other things, the amendments:

- Simplify disclosure or the disclosure process, including changes that would allow registrants to omit confidential information from most exhibits without filing a confidential treatment request, and changes to Management's Discussion and Analysis that allow for flexibility in discussing historical periods;
- Revise rules or forms to update, streamline or otherwise improve the Commission's disclosure framework by eliminating the risk factor examples listed in the disclosure requirement and revising the description of property requirement to emphasize the materiality threshold;

- Update rules to account for developments since their adoption or last amendment by eliminating certain requirements for undertakings in registration statements; and
- Incorporate technology to improve access to information by requiring data tagging for items on the cover page of certain filings and the use of hyperlinks for information that is incorporated by reference and available on EDGAR.

The amendments also include parallel amendments to several rules and forms applicable to investment companies and investment advisers, including amendments that require certain investment company filings to include a hyperlink to each exhibit listed in the exhibit index of the filings and be submitted in HyperText Markup Language (HTML) format.

**What's Next?**

The amendments will be effective 30 days after they are published in the Federal Register, except that the amendments relating to the redaction of confidential information in certain exhibits will become effective upon publication in the Federal Register. The requirements to tag data on the cover pages of certain filings are subject to a three-year phase-in, depending on the nature of the filer. All investment company registration statement and Form N-CSR filings made on or after April 1, 2020 must be made in HTML format and comply with the rule and form amendments pertaining to the use of hyperlinks.

###