

## Public Statement

---

# Statement from Stephanie Avakian and Steven Peikin, Co-Directors of the SEC's Division of Enforcement, Regarding Market Integrity



**Stephanie Avakian**  
*Co-Director, Division of Enforcement*



**Steven Peikin**  
*Co-Director, Division of Enforcement*

**March 23, 2020**

The 2019 coronavirus disease (COVID-19) has impacted the securities markets in unprecedented ways. The SEC, other governmental authorities, and market participants have worked to ensure that our markets have continued to function, as many have transitioned to telework and instituted business continuity plans. The Commission has provided relief to facilitate these transitions.

We wish to emphasize the importance of maintaining market integrity and following corporate controls and procedures. For example, in these dynamic circumstances, corporate insiders are regularly learning new material nonpublic information that may hold an even greater value than under normal circumstances. This may particularly be the case if earnings reports or required SEC disclosure filings are delayed due to COVID-19. Given these unique circumstances, a greater number of people may have access to material nonpublic information than in less challenging times. Those with such access – including, for example, directors, officers, employees, and consultants and other outside professionals – should be mindful of their obligations to keep this information confidential and to comply with the prohibitions on illegal securities trading. Trading in a company's securities on the basis of inside information may violate the antifraud provisions of the federal securities laws.

We similarly urge public companies to be mindful of their established disclosure controls and procedures, insider trading prohibitions, codes of ethics, and Regulation FD and selective disclosure prohibitions to ensure to the greatest extent possible that they protect against the improper dissemination and use of material nonpublic information. Likewise, broker-dealers, investment advisers, and other registrants must comply with policies and procedures that are designed to prevent the misuse of material nonpublic information.

More generally, the Enforcement Division is committing substantial resources to ensuring that our Main Street investors are not victims of fraud or illegal practices in these unprecedented market and economic conditions. The Enforcement Division is committed to protecting investors and maintaining confidence in the fairness and integrity of our markets.