

SEC Proposes New Share Repurchase Disclosure Rules

The proposal would establish new Form SR for reporting issuer share repurchases and enhance existing periodic disclosure

FOR IMMEDIATE RELEASE

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Washington D.C., Dec. 15, 2021 — The Securities and Exchange Commission today proposed amendments to its rules regarding disclosure about an issuer's repurchases of its equity securities, often referred to as buybacks.

"Share buybacks have become a significant component of how public issuers return capital to shareholders," said SEC Chair Gary Gensler. "I think we can lessen the information asymmetries between issuers and investors through enhanced timeliness and granularity of disclosures that today's proposal would provide."

The proposed rules would require an issuer to provide a new Form SR before the end of the first business day following the day the issuer executes a share repurchase. Form SR would require disclosure identifying the class of securities purchased, the total amount purchased, the average price paid, as well as the aggregate total amount purchased on the open market in reliance on the safe harbor in Exchange Act Rule 10b-18 or pursuant to a plan that is intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c).

The proposed amendments also would enhance existing periodic disclosure requirements regarding repurchases of an issuer's equity securities. Specifically, the proposed amendments would require an issuer to disclose: the objective or rationale for the share repurchases and the process or criteria used to determine the repurchase amounts; any policies and procedures relating to purchases and sales of the issuer's securities by its officers and directors during a repurchase program, including any restriction on such transactions; and whether the issuer is making its repurchases pursuant to a plan that it intends to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) and/or the conditions of the Exchange Act Rule 10b-18 non-exclusive safe harbor.

The proposed rules apply to issuers that repurchase securities registered under Section 12 of the Securities Exchange Act of 1934, including foreign private issuers and certain registered closed-end funds.

The proposing release will be published on SEC.gov and in the Federal Register. The comment period will remain open for 45 days after publication in the Federal Register.

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Related Materials

- [Proposed Rule](#)

- [Fact Sheet](#)