

CLIENT ALERT

SEC Disclosure Requirements for State Sponsors of Terrorism

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In an effort to provide investors with greater transparency as to public issuers' disclosures concerning their activities with terrorist-sponsoring countries, the SEC, in June 2007, released a web tool listing "Companies' Activities in Countries Known to Sponsor Terrorism." However, in response to the receipt of numerous complaints concerning the web tool, the SEC removed the list and announced its plan to re-launch the "reference tool" after it addressed the voiced concerns.

The SEC has just issued a Concept Release "soliciting comment about whether it should develop mechanisms to facilitate greater access to companies' disclosures concerning their business activities in or with countries designated as State Sponsors of Terrorism." Specifically, the release seeks public comment on whether it is appropriate to provide easier access to such information, whether the SEC should pursue one of the alternative means to accomplish easier access (e.g., improving the web tool or providing companies with the means to utilize data tagging of relevant information), and any other issues relating to access improvements and the benefits and costs of providing improved access to companies' disclosures. At this time, the Concept Release does not include a list of companies that have made disclosures regarding business activities with State Sponsors of Terrorism (as identified by the U.S. Department of State). The Concept Release may be viewed here <http://www.sec.gov/rules/concept/2007/33-8860.pdf>. The deadline for submitting a comment is January 22, 2008.

The SEC's enhanced focus on public issuers' disclosures concerning business activities with State Sponsors of Terrorism raises questions as to how companies should, and do, disclose such activities in public filings. Through Crowell & Moring's broad SEC-reporting and trade sanctions expertise, we can aid public companies in dealing with the potential new reporting regime imposed by the SEC.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.