

Date:

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Summary:

The SEC sought to give companies clearance to use the Internet alone to convey such market-sensitive news as earnings, merger agreements and layoffs. Some securities lawyers, however, contend that due to its vague and restrictive nature, the interpretive release will have little impact on practice.

In order to comply with Regulation Fair Disclosure, many companies rely on press releases and 8-K filings to disclose significant news, which may also be posted on the Web. This is unlikely to change. Using these channels ensures key information is fairly distributed to everyone at once rather than to select analysts.

According to Brian Lane, “There's nothing here that will change in any significant way what expert lawyers are advising their clients to do.” Now in private practice, Lane was director of the SEC's corporation finance division from 1996 to 1999. He added that the SEC essentially gave with one hand and took with the other, encouraging exclusive use of the Web while encouraging simultaneous use of press releases and 8-Ks. His successor, David Martin, agreed that practice was unlikely to change, but added it was convenient to have the guidance aggregated into one release.

Note: The full 47-page interpretive release can be accessed at the SEC Web site <http://www.sec.gov/rules/interp/2008/34-58288.pdf>

Link to Original:

<http://www.financialweek.com/apps/pbcs.dll/article?AID=/20080811/REG/483339812/0/WIDEST> Financial Week is edited for the “C-Suite” with circulation of approximately 55,000.

Original Title:

Companies Unlikely to Rely on Web Disclosure
