

December 19, 2018

# Key Considerations for Fiscal Year 2018 Form 10-K and 20-F Filings

---

## Disclosure, Accounting and Form Considerations for Issuers Preparing Filings for Fiscal Year 2018

---

### SUMMARY

As issuers prepare their Form 10-K and 20-F filings for fiscal year 2018, they should consider the guidance provided in some recent speeches from officials of the Securities and Exchange Commission (“SEC”), which highlight a number of considerations relating to disclosure in periodic reports. This memorandum summarizes several of those disclosure and accounting considerations, and highlights the key changes to SEC disclosure rules that will affect Form 10-K and 20-F filings this upcoming reporting season.

### DISCLOSURE CONSIDERATIONS

As issuers prepare their annual SEC reports, they should take a fresh look at a number of topics that have received increasing attention over the past year, particularly in speeches by SEC commissioners and staff members. Although some issuers may not need to make changes, all issuers should evaluate their disclosures in these areas in light of this increasing attention. SEC senior staff have observed in public forums that a good way for issuers to gauge what disclosure may be appropriate is to consider what information management has shared with the issuer’s board of directors on the particular topic, as that should inform the type of information that ought to be considered for disclosure to investors in periodic reports.

- **LIBOR Phase Out.** Financial regulators are actively working on transitions away from the London Interbank Offered Rate (“LIBOR”) by the end of 2021, considering potential effects of the LIBOR phase out, including their timing and magnitude, and developing benchmarks that may replace LIBOR. LIBOR rates are commonly used as benchmark rates across a wide range of financial

## SULLIVAN & CROMWELL LLP

products and instruments. Issuers that may be impacted by the transition away from LIBOR should consider disclosing that fact, as well as the risks associated with the transition. Issuers will need to consider the particular impact on them of this transition, both in the near term, as a result of potential market uncertainty and disruptions, as well as over the longer term, on debt instruments and contracts already in effect that extend past 2021. Issuers should be reviewing their debt instruments and contracts to understand the events that trigger a LIBOR substitution event and how a LIBOR substitution would be implemented. Many legacy instruments do not address these matters in clear and workable ways, and so issuers may need further efforts to work through the LIBOR transition. In addition, issuers will need to consider the effects the LIBOR phase out will have on their accounting policies and financial statements, including the impact it may have on their hedge accounting and their ability to manage and hedge exposures to fluctuations in interest rates. SEC Chairman Jay Clayton has publicly indicated that the SEC will scrutinize disclosure regarding the phase out of LIBOR, identifying it as a major market risk that the SEC is monitoring.<sup>1</sup>

- **Brexit.** The United Kingdom's pending exit from the European Union ("Brexit") is approaching, with a deadline for withdrawal in March 2019. In light of ongoing Brexit developments, issuers should consider whether updates to their Brexit disclosures are warranted, particularly as uncertainties remain unresolved or evolve, and as they develop a more informed understanding of the risks and potential effects associated with Brexit. Chairman Clayton has indicated that the SEC has an interest in ensuring that issuers provide adequate Brexit disclosure.<sup>2</sup>

As issuers consider revisions to their existing disclosure, they should consider the extent to which they have developed plans and begun adjusting their businesses and operations in light of Brexit. To the extent material, issuers should include more detailed disclosure around those preparations or, if relevant, risks relating to the status of those preparations. For example, issuers may have begun implementing plans to establish operations in other European countries as a way to maintain their "passport" to engaging in business in Europe, or they may have identified the importance of such plans but not made sufficient progress implementing them. Issuers' understanding of the risks and potential effects of Brexit will most likely continue to develop, and issuers' disclosure should evolve accordingly. Importantly, issuers should tailor their disclosure regarding the impact of Brexit to their particular situations and avoid generic disclosures that do not give a clear indication of the anticipated or possible effects of Brexit on their businesses and operations.

- **Cybersecurity Disclosure.** As cybersecurity has increasingly become a key area of risk for all public companies, the SEC has over the past year and a half increased its focus on the topic as well. In February, the SEC issued an interpretive release on cybersecurity,<sup>3</sup> providing guidance to assist public companies in their disclosure of cybersecurity risks and incidents, as well as ensuring the adequacy of disclosure controls and procedures in the area of cybersecurity. In light of a number of SEC enforcement actions against issuers for deficiencies in disclosures of cybersecurity risks and incidents, as well as an SEC report of an investigation pursuant to Section 21(a) of the Securities Exchange Act of 1934<sup>4</sup> of cyber-related frauds perpetrated against public companies, all issuers should carefully review their existing disclosures about cybersecurity and update them as needed.

Key areas of focus for issuers include review of risk factors related to the potential harm of cybersecurity incidents to their business, disclosure about cybersecurity controls and procedures and discussion in management's discussion and analysis of financial condition and results of operations ("MD&A") where cybersecurity events or compliance costs have had or are expected to have a material effect on the issuer's financial condition or results of operations. Issuers should also consider risks relating to incident response, as well as whether changes in their business and operations—such as entering new lines of business or changing business processes or practices—could have a material effect on their risk exposure to cybersecurity incidents.

- **Tariffs and Global Trade Uncertainties.** Issuers have increasingly disclosed the experienced and potential effects of tariffs and global trade uncertainties, and as these issues develop, issuers that face risks associated with these matters should update their disclosure accordingly. In particular, issuers should review their risk factor disclosure, as well as their MD&A, to the extent that tariffs and global trade have been and are anticipated to continue to be factors significantly affecting their financial condition or results of operations.

## SULLIVAN & CROMWELL LLP

- **Impacts of Tax Reform.** In the year since the Tax Cuts and Jobs Act (“Tax Act”) was enacted, issuers have been including disclosure of the impact of the Tax Act on their businesses. Although this disclosure has been included in periodic reports over the past year, issuers may still be finalizing their evaluation of the income tax effects of the Tax Act and should be therefore updating their Tax Act disclosures.<sup>5</sup> Issuers are required to finalize the income tax effects of the Tax Act in this year’s Form 10-K and 20-F filings, and SEC staff have stated that they are monitoring Tax Act disclosure.<sup>6</sup>

---

## ACCOUNTING CONSIDERATIONS

### Recently Enacted Accounting Standards.

A number of accounting standards have gone into effect recently or will go into effect in coming years. Wesley Bricker, the SEC’s Chief Accountant, recently identified several key areas of review for the SEC arising out of accounting standards changes for which issuers should ensure adequate disclosure:

- **Lease Accounting.** New lease accounting standards require changes to how issuers will account for leases on their balance sheets.<sup>7</sup> For most issuers, the new lease accounting standards will take effect starting in the first quarter of 2019 (fiscal years starting after December 15, 2018). In advance of this, many issuers have been including disclosure in their Forms 10-Q regarding the expected impact of the adoption of the accounting standard. Chief Accountant Bricker stated that it is critical for companies to identify and resolve transition, application and other implementation issues stemming from the new lease accounting standards, and, drawing on experience from the revenue recognition transition period, recommends early and thorough discussion about implementation with an issuer’s auditor and audit committee.
- **Current Expected Credit Losses.** Beginning in 2020, issuers will be required to implement new accounting standards related to the recognition of credit losses.<sup>8</sup> The new credit loss standards will change how issuers recognize credit losses, shifting from an incurred loss model to an expected loss model. Issuers affected by these new accounting standards, particularly financial institutions and other issuers engaged in lending businesses, should begin evaluating the enhanced disclosure regarding credit risk and credit losses that will be required. Although the standards will not be effective for most issuers until 2020, the SEC staff expects issuers to include at least qualitative disclosure in Forms 10-K on the expected impact of the implementation of these new accounting standards.<sup>9</sup>
- **Revenue Recognition.** New accounting standards relating to revenue recognition went into effect in 2018. Chief Accountant Bricker stated that the SEC continues to monitor implementation of the revenue recognition standards and issuers’ disclosure related to that implementation.<sup>10</sup> Depending on an issuer’s circumstances, it may be appropriate for an issuer to consider how its peers have approached new disclosures relating to the revenue recognition standards, particularly if industry practices have evolved over the course of the year or its peers or others in its industry have received comments on the new disclosures from the SEC staff.

### Critical Audit Matters.

In addition, Chief Accountant Bricker stated that his office continues to monitor the implementation of the Public Company Accounting Oversight Board (“PCAOB”) requirement for audit reports to disclose critical audit matters (“CAMs”).<sup>11</sup> These requirements take effect for large accelerated filers for fiscal years ending in the second half of 2019, and for fiscal years ending on or after December 2020 for other issuers. For large accelerated filers, in particular, issuers and their audit committees should be working now with their independent auditors to understand the implications of CAMs disclosure.

## SULLIVAN & CROMWELL LLP

Recent publications from the Center for Audit Quality recommend issuers conduct a “dry run” on the audited financial statements included in their upcoming Form 10-K and 20-F filings.<sup>12</sup> Large accelerated filers may wish to ask their auditors to consider, as they work on the 2018 year-end audit, what items would have been considered CAMs in connection with that audit. Among other things, this would permit the issuer to consider whether its own disclosures (for example, of critical accounting policies) are consistent with, and provide fair context for, the items that the auditors would deem to be CAMs.

---

### SEC FORM UPDATES

In August 2018, the SEC adopted rules (the “Disclosure Rules”)<sup>13</sup> that changed certain disclosure requirements applicable to Form 10-K and Form 20-F that were intended to eliminate or update requirements that have become “redundant, duplicative, overlapping, outdated, or superseded” in light of other SEC requirements, U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), International Financial Reporting Standards (“IFRS”) or changes in the information environment. The amendments do not impose significant new disclosure obligations and seek to consolidate in a single section of a reporting company’s annual report the presentation of certain information that previously appeared in several sections of the document. The changes are incremental in nature and are intended “to facilitate the disclosure of information to investors and simplify compliance without significantly altering the total mix of information provided to investors.” This memorandum does not cover all changes made to the regulations, but rather focuses on key provisions of the Disclosure Rules applicable to corporate issuers as they prepare their Form 10-K and 20-F filings for fiscal year 2018.

- **Segment Financial Information.** Issuers are no longer required to include segment financial information in the description of their business in Item 1 of Form 10-K. The Disclosure Rules deleted Item 101(b) of Regulation S-K, which required disclosure of segment financial information, restatement of prior periods when reportable segments change and discussion of interim segment performance that may not be indicative of current or future operations. U.S. GAAP requires similar disclosures and Item 303(b) of Regulation S-K requires an issuer to discuss material changes in results of operations to identify any significant elements of the issuer’s income or loss from continuing operations which do not arise from or are not necessarily representative of the issuer’s ongoing business. Segment disclosure will instead continue to be required in the notes to the financial statements and the MD&A section, to the extent applicable.
- **Research and Development.** Issuers are no longer required to disclose amounts spent on research and development in the business description in Item 1 of Form 10-K and Item 5.C of Form 20-F. The Disclosure Rules deleted Item 101(c)(1)(xi) of Regulation S-K, which required disclosures in the business description, if material, of the amount spent on research and development activities, and deleted the corresponding provision in Item 5.C of Form 20-F. The SEC noted that compliance with requirements of U.S. GAAP and IFRS result in reasonably similar, and in some cases, broader, disclosures in the financial statements despite a difference in terms used.
- **Financial Information by Geographic Area.** Instead of detailed disclosure of information by geographic area in the description of an issuer’s business in Item 1 of Form 10-K, scaled disclosure must now be included in MD&A, Item 7 of Form 10-K. The Disclosure Rules deleted Items 101(d)(1) and 101(d)(2) of Regulation S-K, which required disclosure of financial information by geographic area, Item 101(d)(3), which required disclosures of any risks associated with an issuer’s foreign operations and any segment’s dependence on foreign operations and Item 101(d)(4), which required, where interim financial statements are presented, a discussion of the facts that indicate the three-year

## SULLIVAN & CROMWELL LLP

financial data for geographic performance may not be indicative of current or future operations. Comparable U.S. GAAP and other SEC disclosure requirements include Item 503(c) of Regulation S-K, which requires disclosure of significant risk factors in Item 1A of Form 10-K, and Item 303(a) of Regulation S-K, which requires disclosure of trends and uncertainties by segment as well as elements of income which are not necessarily indicative of the issuer's ongoing business in Item 7 of Form 10-K. However, the SEC amended Item 303(a) of Regulation S-K to add explicit references to geographic areas in the requirement to disclose trends and uncertainties by segments, so issuers will likely provide the same scope of information in the MD&A as used to be disclosed in the Business section.

- **Market for Issuer's Common Equity.** The Disclosure Rules amended Item 201(a)(1) of Regulation S-K, which required disclosure of the principal U.S. markets where an issuer's common equity trades, high and low sale prices or bid quotations for an issuer's common equity for each quarter within the two most recent fiscal years and subsequent interim period and the price of common equity as of the last practicable date. Issuers are no longer required to disclose this information in Item 5 of Form 10-K. The SEC noted that daily market prices of most publicly traded common equity securities are freely and readily available through a number of sources, including the exchanges' websites. The Disclosure Rules added a requirement that issuers identify the trading systems for each class of their common equity.

Similarly, the Disclosure Rules eliminated the requirement to disclose price history of stock to be offered or listed for both the U.S. market and the principal trading market outside the United States in Item 9.A.4 of Form 20-F, including annual, quarterly and monthly high and low market prices, and the Disclosure Rules now require only disclosure of the U.S. and principal foreign markets where the issuer's common equity trades and trading symbols assigned to such common equity.

- **Dividends and Restrictions on Transfer of Securities.** Certain disclosure about dividends and restrictions on dividends and related items will be found only in an issuer's financial statements rather than Item 5 of Form 10-K or Items 10.F and 14 of Form 20-F. The Disclosure Rules amended Item 201(c)(1) of Regulation S-K and these Items in Form 20-F to eliminate the requirement to disclose the frequency and amount of cash dividends declared. The SEC noted that Rule 3-04 of Regulation S-X, as amended, will require disclosure of the amount of dividends in interim periods and the frequency of dividends will be evident from this disclosure.

The Disclosure Rules also amended the requirement in Item 201(c)(1) of Regulation S-K, and Item 10.F of Form 20-F to disclose restrictions (including restrictions on the ability of an issuer's subsidiaries to transfer funds to it in the form of cash dividends, loans or advances) that currently or are likely to materially limit the issuer's ability to pay dividends on its common equity. These disclosures will continue to be in the financial statements pursuant to revised Rule 4-08(e)(3) of Regulation S-X.

- **Elimination of Ratios of Earnings to Fixed Charges, Statements of Computation of Per Share Earnings.** Issuers are no longer required to disclose historical and pro forma ratios of earnings to fixed charges (or fixed charges and preferred stock dividends). The Disclosure Rules deleted Item 503(d) of Regulation S-K, Item 1010(a)(3) of Regulation M-A and relevant portions of Instruction 7 to "Instructions as to Exhibits" of Form 20-F, which required such disclosure for issuers that register debt securities or preferred stock. Accordingly, issuers will no longer be required to file the corresponding exhibits with their Form 10-K or Form 20-F filings, as the Disclosure Rules deleted Item 601(b)(12) of Regulation S-K, which required statements of computation of ratios. The Disclosure Rules also eliminated Item 601(b)(11) of Regulation S-K and Instruction 6 to "Instructions as to Exhibits" of Form 20-F, which required statements of computation of earnings per share.
- **Elimination of Exchange Rate Data for Foreign Private Issuers.** The Disclosure Rules eliminated the requirement for foreign private issuers to disclose exchange rate data in Form 20-F when financial statements are prepared in a currency other than the U.S. dollar.
- **Reference Room and Website Requirements.** Issuers should update their disclosure in Item 1 of Form 10-K on where investors can find copies of its filings and more information about the issuer. The Disclosure Rules deleted the requirements to identify the SEC's Public Reference Room and disclose



## SULLIVAN & CROMWELL LLP

its physical address and phone number, as paper filings are now only permitted or required in very limited circumstances. In addition, the Disclosure Rules require all issuers, instead of just accelerated and large accelerated filers, including foreign private issuers in Item 4 of Form 20-F, to disclose their internet addresses, if available.

### XBRL Updates

In addition, issuers should be prepared for upcoming changes implemented by the SEC related to machine-readable eXtensible Business Reporting Language (“XBRL”) rules (the “XBRL Amendment”).<sup>14</sup>

- **Elimination of Website Postings of XBRL Files.** The XBRL Amendment eliminated the requirement for issuers to make XBRL information available on their websites. The SEC noted that most XBRL information is accessed through the SEC’s EDGAR system rather than through individual issuer websites. The XBRL Amendment became effective on September 17, 2018, and corresponding changes to the cover page of Form 10-K have been made to eliminate reference to the website posting of XBRL files.
- **Inline XBRL.** All issuers that prepare financial statements in accordance with U.S. GAAP or IFRS are required to comply with the SEC’s XBRL requirements, which entail providing information from financial statements in XBRL format. Under the XBRL Amendment, issuers are required to utilize Inline XBRL, which integrates the XBRL information into the issuer’s filings. Previously, the issuer would submit XBRL information to the SEC through its EDGAR filing system, and then the EDGAR system would create the interactive data files. Although the SEC began accepting Inline XBRL filings in June 2016, the vast majority of issuers have not utilized the functionality. The SEC stated that it expects Inline XBRL to reduce the time and effort to prepare XBRL disclosures, reduce inconsistencies between the issuer’s filing and its XBRL data and improve data accessibility. Large accelerated filers that prepare financial statements in accordance with U.S. GAAP will first be required to use Inline XBRL for quarterly fiscal periods ending on or after June 15, 2019.<sup>15</sup> Accelerated filers that prepare financial statements in accordance with U.S. GAAP will be required to comply with the requirements on the same date of the following year, and all others on the same date in 2021.

---

## SMALLER REPORTING COMPANIES

On June 28, 2018, the SEC adopted rules (the “SRC Rules”)<sup>16</sup> to expand the definition of “smaller reporting companies” to allow additional issuers to take advantage of the scaled disclosure requirements under Regulation S-K and Regulation S-X applicable to smaller reporting companies. The SRC Rules became effective September 10, 2018. Under the SRC Rules, a company may qualify for the benefits of smaller reporting company status if it either has a public equity float of less than \$250 million or annual revenues of less than \$100 million and less than \$700 million of public float (or no public float). The adopting release for the SRC Rules provided that companies that meet these initial qualification thresholds for fiscal years ending after September 10, 2018, the effective date of the SRC Rules, can qualify as smaller reporting companies even if they did not qualify under the previous definitions.<sup>17</sup> Issuers that qualify as smaller reporting companies have scaled disclosure requirements for their description of business, audited financial statements, MD&A and executive compensation and benefits disclosures.

## SULLIVAN & CROMWELL LLP

The topics reviewed above reflect recent trends that have developed over this past year, as well as public statements from officials at the SEC, that all issuers should consider as they prepare for the Form 10-K and 20-F season. However, each issuer's disclosure is unique, and therefore needs to be tailored to its particular facts and circumstances.

\* \* \*

ENDNOTES

- 1 Jay Clayton, Chairman, Securities and Exchange Commission, “SEC Rulemaking Over the Past Year, the Road Ahead and Challenges Posed by Brexit, LIBOR Transition and Cybersecurity Risks” (Dec. 6, 2018), *available at* <https://www.sec.gov/news/speech/speech-clayton-120618>.
- 2 *Id.*
- 3 “Commission Statement and Guidance on Public Company Cybersecurity Disclosures,” SEC Release Nos. 33-10459, 34-82746 (Feb. 20, 2018), *available at* <https://www.sec.gov/rules/interp/2018/33-10459.pdf>.
- 4 “Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934 Regarding Certain Cyber-Related Frauds Perpetrated Against Public Companies and Related Internal Accounting Controls Requirements,” Release No. 34-84429 (Oct. 16, 2018), *available at* <https://www.sec.gov/litigation/investreport/34-84429.pdf>. Although the SEC did not pursue any enforcement actions in connection with the cyber incidents addressed, the 21(a) Report states that internal controls over financial reporting may need to be reassessed in light of risks arising from cyber-related frauds and other emerging risks.
- 5 “Staff Accounting Bulletin No. 118,” SEC Release No. SAB 118 (Dec. 22, 2017), *available at* <https://www.sec.gov/interps/account/staff-accounting-bulletin-118.htm>. For additional information regarding SAB 118, see S&C Client Memo, “SEC Guidance on Reporting for U.S. Tax Reform: SEC Staff Releases Guidance on Form 8-K Reporting for the Re-Measurement of Deferred Tax Assets and on Initial Income Tax Effects of New Tax Legislation” (Dec. 26, 2017), *available at* <https://www.sullcrom.com/sec-guidance-on-reporting-for-us-tax-reform>.
- 6 Sagar Teotia, Deputy Chief Accountant, Securities and Exchange Commission, “Remarks before the 37<sup>th</sup> Annual SEC and Financial Reporting Institute Conference” (June 7, 2018), *available at* <https://www.sec.gov/news/speech/teotia-progress-being-made>.
- 7 Accounting Standards Update (“ASU”) No. 2016-02, codified in Accounting Standards Codification (“ASC”) Topic 842, “Leases,” and IFRS 16, “Leases.”
- 8 ASU No. 2016-13, codified in ASC Topic 326, “Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments” and IFRS 9, “Financial Institutions.”
- 9 For additional information on the ASU No. 2016-13, see S&C Client Memo, “Bank Capital Requirements: Federal Reserve, OCC and FDIC Release Joint Proposal Regarding the Implementation of CECL and Their Regulatory Capital Rules” (Apr. 24, 2018), *available at* <https://www.sullcrom.com/bank-capital-requirements-federal-reserve-occ-and-fdic-release-joint-proposal-regarding-the-implementation-of-cecl-and-their-regulatory-capital-rules>, and S&C Client Memo, “Client Alert: FASB Expected Credit Loss Methodology” (June 23, 2016), *available at* <https://www.sullcrom.com/client-alert-fasb-expected-credit-loss-methodology>.
- 10 Wesley Bricker, Chief Accountant, Securities and Exchange Commission, “Statement in Connection with the 2018 AICPA Conference on Current SEC and PCAOB Developments” (Dec. 10, 2018), *available at* <https://www.sec.gov/news/speech/speech-bricker-121018-1>.
- 11 PCAOB Release No. 2017-001, “The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion and Related Amendments to PCAOB Standards” (June 1, 2017), *available at* <https://pcaobus.org/Rulemaking/Docket034/2017-001-auditors-report-final-rule.pdf>. For additional information on Critical Audit Matters, see S&C Client Memo, “SEC Approves New PCAOB Auditor Reporting Standard: New Standard Expands the Scope of the Auditor’s Report and Requires Auditors to Identify and Discuss ‘Critical Audit Matters’” (Oct. 30, 2017), *available at* <https://www.sullcrom.com/sec-approves-new-pcaob-auditor-reporting-standard-new-standard-expands-the-scope-of-the-auditors-report>.



ENDNOTES (CONTINUED)

- <sup>12</sup> Center for Audit Quality, “Critical Audit Matters: Lessons Learned, Questions to Consider, and an Illustrative Example” (Dec. 10, 2018), *available at* <https://www.thecaq.org/critical-audit-matters-lessons-learned-questions-consider-and-illustrative-example>.
- <sup>13</sup> “Disclosure Update and Simplification,” SEC Release Nos. 33-10532, 24-83875, IC-33203 (Aug. 17, 2018), 83 FR 50148 (Oct. 4, 2018), *available at* <https://www.gpo.gov/fdsys/pkg/FR-2018-10-04/pdf/2018-18142.pdf>.
- <sup>14</sup> “Inline XBRL Filing of Tagged Data,” SEC Release Nos. 33-10514, 34-83551, IC-33139 (June 28, 2018), 83 FR 40846 (Aug. 16, 2018), *available at* <https://www.govinfo.gov/content/pkg/FR-2018-08-16/pdf/2018-14365.pdf>. For more information, see S&C Client Memo, “SEC Adopts New Rules Affecting Public Company Reporting: SEC Requires Use of Inline XBRL for Public Companies Including Funds, Eliminates XBRL Website Posting Requirement, Expands Companies Eligible for ‘Smaller Reporting Company’ Scaled Disclosure and Modifies Rules for Financial Statements of Smaller Acquired Businesses” (July 5, 2018), *available at* <https://www.sullcrom.com/sec-adopts-new-rules-affecting-public-company-reporting>.
- <sup>15</sup> Under the XBRL Amendment, issuers will not be required to submit Inline XBRL files for a Form 10-K until they have already submitted Inline XBRL files for at least one 10-Q. Consequently, large accelerated filers with fiscal year ends of June 30, for instance, will be required to submit Inline XBRL files with their first 10-Q for the three months ended September 30, 2019.
- <sup>16</sup> “Smaller Reporting Company Definition,” SEC Release Nos. 33-10513, 34-83550 (June 28, 2018), 83 FR 31992 (July 10, 2018), *available at* <https://www.gpo.gov/fdsys/pkg/FR-2018-07-10/pdf/2018-14306.pdf>. For more information, see S&C Client Memo, “SEC Adopts New Rules Affecting Public Company Reporting: SEC Requires Use of Inline XBRL for Public Companies Including Funds, Eliminates XBRL Website Posting Requirement, Expands Companies Eligible for ‘Smaller Reporting Company’ Scaled Disclosure and Modifies Rules for Financial Statements of Smaller Acquired Businesses,” *supra* note 14.
- <sup>17</sup> “Smaller Reporting Company Definition,” *supra* note 16 at 11 n.31.

# SULLIVAN & CROMWELL LLP

## ABOUT SULLIVAN & CROMWELL LLP

Sullivan & Cromwell LLP is a global law firm that advises on major domestic and cross-border M&A, finance, corporate and real estate transactions, significant litigation and corporate investigations, and complex restructuring, regulatory, tax and estate planning matters. Founded in 1879, Sullivan & Cromwell LLP has more than 875 lawyers on four continents, with four offices in the United States, including its headquarters in New York, four offices in Europe, two in Australia and three in Asia.

## CONTACTING SULLIVAN & CROMWELL LLP

This publication is provided by Sullivan & Cromwell LLP as a service to clients and colleagues. The information contained in this publication should not be construed as legal advice. Questions regarding the matters discussed in this publication may be directed to any of our lawyers listed below, or to any other Sullivan & Cromwell LLP lawyer with whom you have consulted in the past on similar matters. If you have not received this publication directly from us, you may obtain a copy of any past or future publications by sending an e-mail to [SCPublications@sullcrom.com](mailto:SCPublications@sullcrom.com).

## CONTACTS

---

### New York

Ari B. Blaut	+1-212-558-1656	<a href="mailto:blauta@sullcrom.com">blauta@sullcrom.com</a>
Robert E. Buckholz	+1-212-558-3876	<a href="mailto:buckholzr@sullcrom.com">buckholzr@sullcrom.com</a>
Catherine M. Clarkin	+1-212-558-4175	<a href="mailto:clarkinc@sullcrom.com">clarkinc@sullcrom.com</a>
Donald R. Crawshaw	+1-212-558-4016	<a href="mailto:crawshawd@sullcrom.com">crawshawd@sullcrom.com</a>
Robert G. DeLaMater	+1-212-558-4788	<a href="mailto:delamaterr@sullcrom.com">delamaterr@sullcrom.com</a>
Robert W. Downes	+1-212-558-4312	<a href="mailto:downesr@sullcrom.com">downesr@sullcrom.com</a>
John E. Estes	+1-212-558-4349	<a href="mailto:estesj@sullcrom.com">estesj@sullcrom.com</a>
William G. Farrar	+1-212-558-4940	<a href="mailto:farrarw@sullcrom.com">farrarw@sullcrom.com</a>
John P. Mead	+1-212-558-3764	<a href="mailto:meadj@sullcrom.com">meadj@sullcrom.com</a>
Scott D. Miller	+1-212-558-3109	<a href="mailto:millersc@sullcrom.com">millersc@sullcrom.com</a>
Robert W. Reeder III	+1-212-558-3755	<a href="mailto:reederr@sullcrom.com">reederr@sullcrom.com</a>
James M. Shea Jr.	+1-212-558-4924	<a href="mailto:sheaj@sullcrom.com">sheaj@sullcrom.com</a>
Rebecca J. Simmons	+1-212-558-3175	<a href="mailto:simmonsr@sullcrom.com">simmonsr@sullcrom.com</a>
William D. Torchiana	+1-212-558-4056	<a href="mailto:torchianaw@sullcrom.com">torchianaw@sullcrom.com</a>
Benjamin H. Weiner	+1-212-558-7861	<a href="mailto:weinerb@sullcrom.com">weinerb@sullcrom.com</a>

---

### Washington, D.C.

Robert S. Risoleo	+1-202-956-7510	<a href="mailto:risoleor@sullcrom.com">risoleor@sullcrom.com</a>
-------------------	-----------------	--

---

### Los Angeles

Patrick S. Brown	+1-310-712-6603	<a href="mailto:brownp@sullcrom.com">brownp@sullcrom.com</a>
Alison S. Ressler	+1-310-712-6630	<a href="mailto:resslera@sullcrom.com">resslera@sullcrom.com</a>

---

## SULLIVAN & CROMWELL LLP

---

### Palo Alto

Sarah P. Payne	+1-650-461-5669	<a href="mailto:paynesa@sullcrom.com">paynesa@sullcrom.com</a>
John L. Savva	+1-650-461-5610	<a href="mailto:savvaj@sullcrom.com">savvaj@sullcrom.com</a>

---

### London

Chris Beatty	+44-20-7959-8505	<a href="mailto:beattyc@sullcrom.com">beattyc@sullcrom.com</a>
Kathryn A. Campbell	+44-20-7959-8580	<a href="mailto:campbellk@sullcrom.com">campbellk@sullcrom.com</a>
Oderisio de Vito Piscicelli	+44-20-7959-8589	<a href="mailto:devitopiscicellio@sullcrom.com">devitopiscicellio@sullcrom.com</a>
John Horsfield-Bradbury	+44-20-7959-8491	<a href="mailto:horsfieldbradburyj@sullcrom.com">horsfieldbradburyj@sullcrom.com</a>
John O'Connor	+44-20-7959-8515	<a href="mailto:oconnorj@sullcrom.com">oconnorj@sullcrom.com</a>
Evan S. Simpson	+44-20-7959-8426	<a href="mailto:simpsons@sullcrom.com">simpsons@sullcrom.com</a>

---

### Paris

William D. Torchiana	+33-1-7304-5890	<a href="mailto:torchianaw@sullcrom.com">torchianaw@sullcrom.com</a>
----------------------	-----------------	--

---

### Frankfurt

Krystian Czerniecki	+49-69-4272-5525	<a href="mailto:czernieckik@sullcrom.com">czernieckik@sullcrom.com</a>
---------------------	------------------	--

---

### Sydney

Waldo D. Jones Jr.	+61-2-8227-6702	<a href="mailto:jonesw@sullcrom.com">jonesw@sullcrom.com</a>
--------------------	-----------------	--

---

### Tokyo

Izumi Akai	+81-3-3213-6145	<a href="mailto:akaii@sullcrom.com">akaii@sullcrom.com</a>
Keiji Hatano	+81-3-3213-6171	<a href="mailto:hatanok@sullcrom.com">hatanok@sullcrom.com</a>

---

### Hong Kong

Garth W. Bray	+852-2826-8691	<a href="mailto:brayg@sullcrom.com">brayg@sullcrom.com</a>
Michael G. DeSombre	+852-2826-8696	<a href="mailto:desombrem@sullcrom.com">desombrem@sullcrom.com</a>
Ching-Yang Lin	+852-2826-8606	<a href="mailto:linc@sullcrom.com">linc@sullcrom.com</a>
Chun Wei	+852-2826-8666	<a href="mailto:weic@sullcrom.com">weic@sullcrom.com</a>

---

### Beijing

Gwen Wong	+86-10-5923-5967	<a href="mailto:wonggw@sullcrom.com">wonggw@sullcrom.com</a>
-----------	------------------	--

---