

Cyber-Security, Data Protection and Privacy

Disclosures regarding Russia's invasion of Ukraine for publicly traded companies in the U.S.



The Division of Corporation Finance in the U.S. Securities and Exchange Commission (SEC) recently published a [sample letter](#) regarding disclosures pertaining to Russia's invasion of Ukraine and related supply chain issues. The letter details matters that companies should disclose in fulfilling their disclosure obligations under federal securities laws. Such matters include, among others:

- business relationships, connections to and assets in Russia, Belarus and Ukraine;
- direct or indirect exposure to Russia, Belarus and Ukraine, including through the company's operations, employee and customer bases, investments, securities, sanctions imposed on individuals and entities, limitations on obtaining relevant governmental approvals, currency exchange limitations, payment of taxes and nationalization of assets;
- direct or indirect reliance on goods and services originating from Ukraine, Russia, and countries supportive of Russia;
- import and export bans and actual or potential disruption in the supply chain, their impact and the mitigation steps taken by the company;
- trends or uncertainties that may impact cash flows, liquidity, capital resources, impairment of assets, changes in inventory valuation, disposal or exiting of a business, changes in contracts or in the ability to collect contract considerations, etc., and reflection of such matters in the financial statements;
- new or heightened risk of potential cyber-attacks and the actions taken to mitigate cyber-security risks; and
- changes in disclosure control and procedures and in the internal control over financial reporting.

The SEC encourages companies to consider how these matters affect management's evaluation of disclosure controls and procedures, management's assessment of the effectiveness of internal control over financial reporting, and the role of the board of directors in risk oversight of any action or inaction related to Russia's invasion of Ukraine.

The list published by the SEC is non-exhaustive. Companies should evaluate whether they are or may be impacted by the situation in Ukraine and update their disclosures accordingly.

Please feel free to contact us with any questions that you may have on this matter.



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