Proskauer

SEC and PCAOB Issue Joint Statement on the Effects of Coronavirus on Financial Reporting

March 5, 2020

The World Health Organization declared the outbreak of novel coronavirus (COVID-19) a public health emergency of international concern on January 30. The situation is evolving daily around the world, including in the United States.

On February 19, representatives of the Securities and Exchange Commission (SEC) and The Public Company Accounting Oversight Board (PCAOB) issued a joint statement regarding, among other things, the effects of coronavirus on financial reporting. The joint statement emphasized that, while the effects of coronavirus on a particular issuer may be difficult to assess or predict, information regarding the issuer's plan and response to the outbreak could be material to an investment decision and may need to be disclosed. Issuers were urged to work with their audit committees and auditors to ensure that their financial reporting, auditing and review processes are as robust as practicable in light of the circumstances in meeting the applicable requirements.

Investment companies and their advisers may be impacted by a global pandemic in many ways. Among other areas of review, please consider the adequacy of your and your vendors' business continuity and disaster recovery plans, which encompass pandemic procedures and plans.

Please let us know if we can be of any assistance. For additional resources, please visit Proskauer's Coronavirus Resource Center.

Related Professionals

- **Jeffrey A. Horwitz**
  Partner