

Iain MacSween Discusses IPO Disclosures with Law360

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Brooks Pierce partner Iain MacSween was recently quoted by Law360, a leading source of legal news and analysis, about the impact the rising trade tensions with China are having on company disclosures, especially those businesses preparing for an initial public offering, or IPO.

The U.S. Securities and Exchange Commission requires issuers to disclose potential risks related to owning shares of the issuer. Companies do so when they initially go public, but also update the risks periodically.

The Trump administration enacted new tariffs on \$34 billion worth of Chinese imports in early July, and China retaliated with increased tariffs of its own. This escalating trade dispute is causing more public companies to disclose tariff-related risks to their businesses.

MacSween said many of these disclosures are about insuring against possible shareholder litigation in the event of poor stock performance that may be tied to an undisclosed risk.

“Ultimately, IPO and other securities filings are going to be read by shareholders after the fact with the benefit of hindsight,” MacSween said. “The issuer is likely to be criticized if the investor feels later that he ought to have been told something that wasn’t properly disclosed.”

The full article can be found [here](#).