

US Corporate Law News: SEC sues, confirming interim financial statements must be 'reviewed'

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On September 21, 2018, the SEC announced charges against five public companies for submitting financial statements in their quarterly reports that had not been reviewed by an independent, external auditor. Regulation S-X provides that interim financial statements must be subject to a review conducted by an independent, external auditor prior to the statements being included in quarterly reports filed with the Commission. The five lawsuits are the SEC's first enforcement proceedings against a company for violating the Regulation S-X interim review requirement. Without admitting or denying wrong-doing, the five companies agreed to settle the SEC's charges, and the agency assessed a total of \$250,000 in penalties. For more information see <https://www.sec.gov/news/press-release/2018-207>


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