

Snapshot

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CorpFin releases sample comments on Russia's invasion of Ukraine

The SEC's Division of Corporation Finance (CorpFin) released a [sample letter](#) illustrating comments that CorpFin staff might issue to companies about disclosures related to Russia's invasion of Ukraine and the resulting global supply chain and operational disruptions.

In addition to considering the sample comments, companies should assess how these matters could impact management's evaluation of disclosure controls and procedures, as well as its assessment of internal control over financial reporting (ICFR), including disclosure of changes in ICFR in periodic reports.

Sample comments

CorpFin released the sample letter to help companies comply with their disclosure obligations under federal securities laws. The nonexhaustive list of sample comments includes the following disclosures:

- Material direct or indirect impacts on a company's business or operations, as well as exposure resulting from activities in Russia, Belarus, or Ukraine (the impacted countries), including consequences resulting from sanctions
- The board of directors' role in overseeing risks related to the invasion, including risks related to cybersecurity, investments, sanctions, and employees
- Disclosure of new or heightened cybersecurity risks related to potential attacks and mitigation efforts
- Information included in Management's Discussion and Analysis, such as
 - Known trends or uncertainties caused by the global disruptions, including impairments or

declines in the values of tangible or intangible assets, collectibility from customers, and modifications to customer contracts

- Enhanced critical accounting estimates
- Current and anticipated impact of import or export bans on any products or commodities used in the company's business or sold by the company, if material
- Supply chain disruptions that are materially impacting the company's business segments, products, lines of service, projects, or operations

The sample letter also provides commentary on potentially inappropriate adjustments to non-GAAP measures, including

- Lost revenues due to the invasion or supply chain disruptions; and
- Exclusion of certain expenses related to operations in the impacted countries.

Grant Thornton insight

In addition to the SEC disclosure requirements, companies directly or indirectly impacted by Russia's invasion of Ukraine must assess how the invasion impacts their accounting policies and practices.

See [NDS 2022-01](#), "Russia-Ukraine War: Accounting and financial reporting considerations," for a summary of certain accounting and financial reporting considerations under U.S. GAAP.

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