



## SEC Updates C&DIs on Environmental Disclosures Under Item 103 of Regulation S-K

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On June 30, 2025, the U.S. Securities and Exchange Commission's (SEC) Division of Corporation Finance (the Division) issued updated Compliance and Disclosure Interpretations ("C&DIs") related to environmental legal proceedings under Item 103 of Regulation S-K. These revisions reflect the SEC's ongoing efforts to align disclosure guidance with the 2020 modernization of Regulation S-K.

### KEY REVISIONS TO C&DIS

#### 1. C&DI 105.01 – Clarification of "Sanctions"

The Division revised this interpretation to align with its current view that costs anticipated under the Comprehensive Environmental Response, Compensation, and Liability Act (Superfund) are generally not considered "sanctions" under Item 103(c)(3)(iii). This update removes outdated language referencing former Instruction 5(C).

#### 2. Withdrawal of C&DI 105.02 – Foreign Government Actions

The Division withdrew prior guidance that had suggested that environmental proceedings brought by foreign governments could fall under "local provisions" in Item 103(c)(3). This withdrawal clarifies that such proceedings are not subject to mandatory disclosure under Item 103.

#### 3. C&DI 105.03 – Technical Update

This revision replaces a reference to Instruction 4 with a reference to the updated rule text at Item 103(c)(2), reflecting the 2020 incorporation of instructions directly into the rule.

### PRACTICAL TAKEAWAY

Public companies are no longer required to disclose environmental legal actions initiated by foreign governments under Item 103. These updates also remove outdated references and align the C&DIs with the current text of Regulation S-K, providing clearer guidance for registrants.

### ADDITIONAL RESOURCES

The full list of Regulation S-K C&DIs is available here: [Link](#).

Winston & Strawn's Capital Markets & Securities Law Watch will continue to monitor SEC guidance and provide timely updates.

For more information, please contact the authors or your regular Winston attorney contacts.

*Hannah Albee, Summer Associate, also contributed to this blog.*

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