

Securities Regulation and Compliance Alert

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SEC Staff Issues Statement on Conflict Minerals Ruling

The U.S. Securities and Exchange Commission's Division of Corporation Finance issued a statement yesterday on the effect of a recent circuit court decision on the SEC's conflict minerals rules. In an April 14 ruling, the U.S. Court of Appeals for the District of Columbia Circuit held that some of the requirements in the rules unconstitutionally compel speech. The court upheld other parts of the rules and remanded the case to district court.

In its statement, the SEC staff said that it still expects companies to file any reports required under the conflict minerals rules by the current due date (June 2, 2014) and that such reports should comply with and address the portions of the rules that the court upheld. The staff noted, however, that in light of the court's decision, companies no longer have to identify products as "DRC conflict undeterminable," "not found to be DRC conflict free" or "DRC conflict free," as was originally required under the rules.

A company still may voluntarily elect to describe products as "DRC conflict free" in its conflict minerals report as long as it has obtained an independent private sector audit (IPSA). Other than for such voluntary disclosures, IPSAs are not now required for companies filing conflict minerals reports.

The staff may provide additional guidance in advance of the June 2 filing due date, and we will provide further information as it becomes available.

The staff's statement is available [here](#). The court's decision is available [here](#). For additional information about the affected rules, please see our previous client alerts [here](#) and [here](#).