

# SEC Reporting & Compliance Alert

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## SEC Staff Provides Relief From Conflict Minerals Rule

In statements released on April 7, 2017, the acting chairman of the Securities and Exchange Commission (SEC), Michael S. Piwowar, and the SEC's Division of Corporation Finance provided welcome news to companies concerning the SEC's administration of the conflict minerals rule. Copies of those statements are available [here](#) and [here](#).

The Division of Corporation Finance announced that it will not recommend enforcement action against companies that do not comply with Item 1.01(c) of Form SD — the provision requiring companies to conduct due diligence to determine the source and custody of conflict minerals in their supply chain and to prepare a “conflict minerals report” describing their efforts and findings. In his statement, Acting Chairman Piwowar underscored the rationale supporting the Division of Corporation Finance's position when he noted, “In light of ... regulatory uncertainties, until these issues are resolved, it is difficult to conceive of a circumstance that would counsel in favor of enforcing Item 1.01(c) of Form SD.”

The Division of Corporation Finance made clear that it will continue to expect compliance with the requirements of Items 1.01(a) and (b) of Form SD. This means companies that determine conflict minerals are necessary to the functionality or production of their products still are required to make a good faith effort to determine the country of origin of those minerals and to briefly describe their efforts and findings in a Form SD filed with the SEC and made available on the company's website. Given that these requirements generally are less onerous than those of Item 1.01(c), however, we expect many companies will benefit from this news.

We will continue to monitor these developments and provide additional information as it becomes available.

For additional information concerning the conflict minerals rule's requirements, related litigation and other Division of Corporation Finance guidance, please see our previous client alerts [here](#), [here](#) and [here](#), respectively.

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