



## SEC FLASH REPORT

No. 2010-1

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**To: All Assurance Professionals**

**Date: January 12, 2010**

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**Re: SEC C&DIs on Use of Non-GAAP Financial Measures**

**From: National Assurance**

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As previously communicated in the year-end technical update PDM, the SEC staff has been working on a project to revise its guidance regarding the use of non-GAAP financial measures in registrant filings. On January 11, 2010, the SEC's Division of Corporation Finance completed this project and issued its interpretations of the rules and regulations governing the use of non-GAAP financial measures in the form of Compliance and Disclosure Interpretations ("C&DIs"). The C&DIs on non-GAAP financial measures are posted at:

<http://sec.gov/divisions/corpfin/guidance/nongaapinterp.htm>

The new C&DIs replace the SEC staff's Frequently Asked Questions on non-GAAP financial measures and will be incorporated in Topic 8 of the staff's *Financial Reporting Manual*. The new interpretations are intended to remove impediments to disclosing non-GAAP financial measures that companies believe provide meaningful information to investors. They are effective immediately, so companies should consider them in the upcoming earnings reporting season.