

SEC's Interpretive MC&A Guidance on Liquidity and Capital Resources and Proposed New Rules on Short-Term Borrowing Disclosure

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The SEC has responded to concerns about balance sheet “window dressing” and other perceived liquidity disclosure problems with an [interpretive release](#) regarding MD&A liquidity and capital resources disclosure and [proposed new rules](#) that would require detailed MD&A disclosure on short-term borrowing arrangements.

New Interpretive Guidance

The SEC's new interpretive guidance is the most recent in a series of MD&A interpretive releases.^[1] Interpretive releases are designed to clarify existing rules and, while approved by the SEC Commissioners, do not go through the full rulemaking process. The MD&A section of registration statements and periodic reports is required to provide clear and understandable information about known trends, events, demands, commitments and uncertainties regarding a company's financial position, particularly where they are reasonably likely to have a current or future material impact on the company.

[illegible]

Financial Condition and Results of Operations. MDA is short for Management's Discussion and Analysis of

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