

**MEMO# 21393**

July 25, 2007

## **SEC Suspends Internet Tool that Discloses Issuers' Business Interests in Countries Known to Sponsor Terrorism**

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TO: INTERNATIONAL MEMBERS No. 20-07  
INTERNATIONAL COMMITTEE No. 20-07  
INTERNATIONAL INVESTING SUBCOMMITTEE No. 8-07  
PENSION MEMBERS No. 42-07  
EQUITY MARKETS ADVISORY COMMITTEE No. 40-07  
COMPLIANCE MEMBERS No. 38-07  
SEC RULES MEMBERS No. 92-07  
SMALL FUNDS MEMBERS No. 60-07  
CLOSED-END INVESTMENT COMPANY MEMBERS No. 44-07 RE: SEC SUSPENDS INTERNET TOOL THAT DISCLOSES ISSUERS' BUSINESS INTERESTS IN COUNTRIES KNOWN TO SPONSOR TERRORISM

As we previously informed you, the Securities and Exchange Commission recently announced the availability of a tool on its website that was intended to provide the public access to disclosure in company filings regarding the company's business interests in countries the U.S. Secretary of State has designated "State Sponsors of Terrorism" (i.e., Cuba, Iran, North Korea, Sudan, and Syria). [\[1\]](#) On July 20th, SEC Chairman Cox announced that the Commission was "temporarily suspending the availability of the web tool while it undergoes reconstruction." [\[2\]](#) According to the announcement, while the web tool has "experienced exceptional traffic" (i.e., over 150,000 hits between June 25th and July 16th), concerns have been raised about the currentness of its information. In the interim, companies' disclosure regarding their business contacts in the terrorist states will be available through the SEC's EDGAR database.

Chairman Cox's announcement notes that, during the reconstruction, Commission staff is

considering whether the use of interactive data tags applied by companies themselves would obviate the need for an SEC web tool. The staff is also considering whether to recommend that the Commission issue a Concept Release regarding how to make more accessible a public company's disclosure of activities in terrorist states. Such a release would solicit public comment so the Commission could address all legitimate concerns while providing better access to company disclosure on these topics.

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Senior Associate Counsel

#### **endnotes**

[1] See Institute [Memorandum](#) to International Members No 17-07, International Investing Subcommittee No. 7-07, Pension Members No.36-07, Equity Markets Members No. 34-07, Compliance Members No. 28-07, SEC Rules Members No. 71-07, Small Funds Members No. 45-07, and Closed-End Fund Members No. 39-07 [No. 21308], dated June 27, 2007, discussing "SEC Adds Software Tool for Investors Seeking Information on Companies' Activities in Countries Known to Sponsor Terrorism, SEC Press Release 2007-121 (June 25, 2007), available at: <http://www.sec.gov/news/press/2007/2007-121.htm>.

[2] See Statement by Securities and Exchange Commission Chairman Christopher Cox Concerning Companies' Activities in Countries Known to Sponsor Terrorism, SEC Press Release No. 2007-138 (July 20, 2007), which is available at: <http://www.sec.gov/news/press/2007/2007-138.htm>.

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