

Regulation G: General rules regarding Disclosure of Non-GAAP Financial Measures

Regulation G: General rules regarding Disclosure of Non-GAAP Financial Measures

244.100 General rules regarding disclosure of non-GAAP financial measures.

(a) Whenever a registrant, or person acting on its behalf, publicly discloses material information that includes a non-GAAP financial measure, the registrant must accompany that non-GAAP financial measure with:

- (1) A presentation of the most directly comparable financial measure calculated and presented in accordance with Generally Accepted Accounting Principles (GAAP); and
- (2) A reconciliation (by schedule or other clearly understandable method), which shall be quantitative for historical non-GAAP measures presented, and quantitative, to the extent available without unreasonable efforts, for forward-looking information, of the differences between the non-GAAP financial measure disclosed or released with the most comparable financial measure or measures calculated and presented in accordance with GAAP identified in paragraph (a)(1) of this section.

(b) A registrant, or a person acting on its behalf, shall not make public a non-GAAP financial measure that, taken together with the information accompanying that measure and any other accompanying discussion of that measure, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the presentation of the non-GAAP financial measure, in light of the circumstances under which it is presented, not misleading.

(c) This section shall not apply to a disclosure of a non-GAAP financial measure that is made by or on behalf of a registrant that is a foreign private issuer if the following conditions are satisfied:

- (1) The securities of the registrant are listed or quoted on a securities exchange or inter-dealer quotation system outside the United States;
- (2) The non-GAAP financial measure is not derived from or based on a measure calculated and presented in accordance with generally accepted accounting principles in the United States; and
- (3) The disclosure is made by or on behalf of the registrant outside the United States, or is included in a written communication that is released by or on behalf of the registrant outside the United States.

(d) This section shall not apply to a non-GAAP financial measure included in disclosure relating to a proposed business combination, the entity resulting therefrom or an entity that is a party thereto, if the disclosure is contained in a communication that is subject to §230.425 of this chapter, §240.14a-12 or §240.14d-2(b)(2) of this chapter or §229.1015 of this chapter.

Notes to §244.100:

(1) If a non-GAAP financial measure is made public orally, telephonically, by webcast, by broadcast, or by similar means, the requirements of paragraphs (a)(1)(i) and (a)(1)(ii) of this section will be satisfied if:

- (i) The required information in those paragraphs is provided on the registrant's web site at the time the non-GAAP financial measure is made public; and
- (ii) The location of the web site is made public in the same presentation in which the non-GAAP financial measure is made public.

(2) The provisions of paragraph (c) of this section shall apply notwithstanding the existence of one or more of the following circumstances:

- (i) A written communication is released in the United States as well as outside the United States, so long as the communication is released in the United States contemporaneously with or after the release outside the United States and is not otherwise targeted at persons located in the United States;
- (ii) Foreign journalists, U.S. journalists or other third parties have access to the information;
- (iii) The information appears on one or more web sites maintained by the registrant, so long as the web sites, taken together, are not available exclusively to, or targeted at, persons located in the United States; or
- (iv) Following the disclosure or release of the information outside the United States, the information is included in a submission by the registrant to the Commission made under cover of a Form 6-K.

68 Fed. Reg. 4820, 4832, 1/30/2003.

244.101 Definitions.

This section defines certain terms as used in Regulation G (§§244.100 through 244.102).

(a)

(1)**Non-GAAP financial measure.** A *non-GAAP financial measure* is a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that:

- (i) Excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or
- (ii) Includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

(2)A non-GAAP financial measure does not include operating and other financial measures and ratios or statistical measures calculated using exclusively one or both of:

- (i) Financial measures calculated in accordance with GAAP; and
- (ii) Operating measures or other measures that are not non-GAAP financial measures.

(3)A non-GAAP financial measure does not include financial measures required to be disclosed by GAAP, Commission rules, or a system of regulation of a government or governmental authority or self-regulatory organization that is applicable to the registrant.

(b)**GAAP.**GAAP refers to generally accepted accounting principles in the United States, except that:

- (1)in the case of foreign private issuers whose primary financial statements are prepared in accordance with non-U.S. generally accepted accounting principles, GAAP refers to the principles under which those primary financial statements are prepared; and
- (2)in the case of foreign private issuers that include a non-GAAP financial measure derived from a measure calculated in accordance with U.S. generally accepted accounting principles, GAAP refers to U.S. generally accepted accounting principles for purposes of the application of the requirements of Regulation G to the disclosure of that measure.

(c)**Registrant.** A *registrant* subject to this regulation is one that has a class of securities registered under Section 12 of the Securities Exchange Act of 1934 ([15 U.S.C. 78l](#)), or is required to file reports under Section 15(d) of the Securities Exchange Act of 1934 ([15 U.S.C. 78o\(d\)](#)), excluding any investment company registered under Section 8 of the Investment Company Act of 1940 ([15 U.S.C. 80a-8](#)).

(d)**United States.***United States* means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

68 Fed. Reg. 4820, 4832, 1/30/2003.

244.102 No effect on antifraud liability.

Neither the requirements of this Regulation G (17 CFR 244.100 through 244.102) nor a person's compliance or non-compliance with the requirements of this Regulation shall in itself affect any person's liability under Section 10(b) ([15 U.S.C. 78j\(b\)](#)) of the Securities Exchange Act of 1934 or §240.10b-5 of this chapter.

68 Fed. Reg. 4820, 4832, 1/30/2003.