

Equifax Data Breach: Preliminary Lessons for the Adoption and Implementation of Insider Trading Policies

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The recent data breach at Equifax, a major credit rating agency, has provided an unexpected reminder of the importance of well-structured insider trading policies.

Following last week's announcement of the data breach, it was disclosed that certain Equifax executives, including its Chief Financial Officer, sold a portion of their holdings after the cyberattack was discovered, but before the news was publically announced. While Equifax has stated that the executives had "no knowledge of the intrusion at the time they sold their shares," the developing story illustrates some of the risks attendant to sales of securities by insiders of public companies.

Canadian issuers registered with the SEC or trading in the U.S. markets will find the recent article by Dorsey partners Cam Hoang and Gary Tygesson to be a helpful reminder of the key issues to consider in adopting or reviewing an insider trading policy: www.dorsey.com/newsresources/publications/client-alerts/2017/09/equifax-data-breach.

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