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June 7, 2022

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street N.E.
Washington, DC 20549

Re: File Reference No. S7-13-22; *Special Purpose Acquisition Companies, Shell Companies, and Projections* (SEC Release No. 33-11048)

Dear Ms. Countryman:

Deloitte & Touche LLP is pleased to respond to the request for public comment from the Securities and Exchange Commission (the "Commission" or SEC) on the proposed rule *Special Purpose Acquisition Companies, Shell Companies, and Projections* (the "proposal"). We acknowledge the Commission's goal of enhancing investor protections in special purpose acquisition company (SPAC) initial public offerings (IPOs) and in subsequent business combination transactions between shell companies, such as SPACs, and private operating companies ("targets") by more closely aligning the disclosure requirements of a target with those in a registration statement for a traditional IPO. We therefore appreciate the opportunity to share our thoughts specific to the financial statement and disclosure requirements for targets set forth in the proposal.

Codification of Current SEC Staff Guidance

We support the codification of current SEC staff guidance and practice related to the form and content and financial statement reporting requirements for a business combination involving a shell company and a private operating company, commonly referred to as a de-SPAC merger. Codifying this guidance in new Regulation S-X, Article 15, would more closely align the financial statement disclosure requirements for a target with those in a registration statement for a traditional IPO.

Financial Statements Required in Super 8-K

We suggest that the Commission consider clarifying whether the provisions in proposed Regulation S-X, Rule 15-01(b), extend to the financial statement reporting requirements for the target in Item 2.01(f) of Form 8-K, commonly referred to as a Super 8-K, which is filed four business days after the consummation of a de-SPAC merger. Under proposed Rule 15-01(b), when the registrant is a shell company and target financial statements are required in a "registration statement or proxy statement," the target would only be required to include **two years** of audited financial statements if the SPAC and target both qualify as emerging growth companies (EGCs). Item 2.01(f) of Form 8-K requires the information provided about the target to be equivalent to that provided by a new reporting company filing a Form 10 registration statement under the Exchange Act. This means that, if the historical staff guidance is not continued, a registrant would be required to provide **three years**[1] of audited financial statements for a target that does not qualify as a smaller

[1] See paragraph 10220.1(d) of the Financial Reporting Manual and Question 48 of the Division of Corporation Finance's "Jumpstart Our Business Startups Act Frequently Asked Questions."

reporting company. While Rule 15-01(b) refers to a "registration statement," it may be unclear whether that rule would be applied to the Super 8-K (and thus two years of audited financial statements would be required) or whether the Super 8-K requirement is tied to the Form 10 equivalent (and thus three years of audited financial statements would be required). If Rule 15-01(b) does not extend to the Super 8-K and the Commission's intent is to align the financial statement disclosure requirements with those of a traditional IPO, the SEC staff may consider amending the Form 8-K requirement so that the financial statements of the target need not be presented for any period before the earliest audited periods previously presented in the de-SPAC registration statement (unless the target subsequently loses its EGC status). This would align with (1) existing SEC staff guidance for SPAC transactions and (2) the SEC staff's views expressed in Question 12 of the Division of Corporation Finance's "Jumpstart Our Business Startups Act Frequently Asked Questions" related to an EGC that completed a traditional IPO of its equity securities.

Transition Guidance

Given the extent of the changes being contemplated in the proposed rule, we recommend that the Commission provide detailed transition guidance to facilitate a smooth and timely implementation. We believe that such guidance, which could be included in the release adopting the final rule, in the Financial Reporting Manual (FRM), or in a separate document issued contemporaneously with the final rule, may alleviate questions and confusion that often occur when new rules or regulations are published. For example, it may be useful for parties to a de-SPAC merger to understand when the new requirements would be applied, particularly if a registrant is in the process of a SPAC IPO or a de-SPAC transaction. Regardless of the form of the transition guidance, we also recommend that the SEC staff update the key sections of the FRM that will be affected by the final rule. We believe that the update should (1) clarify which interpretive guidance would continue to apply and which guidance would be superseded and (2) eliminate any inconsistencies between the final rule and existing SEC staff interpretations.

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We appreciate the opportunity to provide our perspectives on the proposal. We would be happy to discuss further any of the points of our letter. If you have any questions or would like to discuss our views further, please contact John Wilde at [redacted] or Lisa Mitrovich at [redacted]

Sincerely,

Deloitte & Touche LLP

Deloitte & Touche LLP

cc: Gary Gensler, Chair
Hester Peirce, Commissioner
Allison Herren Lee, Commissioner
Caroline Crenshaw, Commissioner
Renee Jones, Director, Division of Corporation Finance
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