

fund's financial information and making other changes.⁶⁵ The fund has provided notification that the prospectus will be updated by including notification in the preceding account statement or shareholder newsletter; the notification provides the approximate date on which the amendment will be available. A subsequent amendment to the fund's prospectus reflects the addition of a redemption fee. Notification of the prospectus amendment has been included in the preceding statement or newsletter.⁶⁶

Just as the use of a newsletter or statement in example 46 in the October Interpretive Release constituted sufficient notice for effective delivery of the semi-annual reports required under the Investment Company Act of 1940, the use of a newsletter or statement here would constitute sufficient notice for effective delivery with respect to the scheduled prospectus update.

(6) A fund's on-line prospectus has the same text as the paper version, but the text appears in a different format. For example, text that appears as a block in the margin of a page in the paper prospectus appears in a box in the flow of the text in the electronic version. The fund does not make a separate filing under Securities Act Rule 497 with respect to the electronic version.

The mere difference in format without any difference in text would not qualify the electronic version as a different "form of prospectus" for which filing is required.

(7) An investment company produces both an electronic version (such as a CD-ROM) and a paper version of its prospectus. Each version contains all information required by, and otherwise complies with, the applicable form and all other applicable provisions of the federal securities laws. The electronic version contains a movie that does not appear in the paper version. Each version of the prospectus indicates that there may be other versions of the prospectus and, if the issuer determines to make such other versions available, provides information on how to obtain such other versions.⁶⁷ The paper

version does not include a summary or transcript of the movie in the electronic version. Both versions of the prospectus are filed with the Commission as part of the company's registration statement, or separately pursuant to Rule 497.⁶⁸

The use of either version of the prospectus to satisfy delivery requirements would be permissible.⁶⁹ The issuer (or other party to whom the law assigns the responsibility) remains responsible for ensuring that each version satisfies applicable statutory requirements.⁷⁰

V. Solicitation of Comments

Any interested person wishing to submit written comments relating to the views expressed in this release are invited to do so by submitting them in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 6-9, Washington, D.C. 20549. Comments also may be submitted electronically at the following electronic mail address: rule-comments@sec.gov. All comment letters should refer to File Number S7-13-96. This file number should be included on the subject line if comments are submitted using electronic mail. Comment is requested not only on the specific issues discussed in detail in the release, but on any other issues that should be considered in connection with facilitating the use of electronic media by broker-dealers, transfer agents, and investment advisers. Comment is sought from both the point of view of the sender and the intended recipient. The Commission further requests comment on any competitive burdens that may result from this interpretation. Comments must be received on or before July 1, 1996. Comments received will be available for public inspection and copying in the Commission's public reading room, 450 Fifth Street, N.W., Washington, D.C. 20549. Electronically submitted comment letters will be posted on the Commission's Internet web site (<http://www.sec.gov>).

List of Subjects

17 CFR Parts 231 and 241
Securities.

17 CFR Parts 271 and 276
Investment companies, Securities.

Amendment to the Code of Federal Regulations

The Commission is amending Title 17, Chapter II of the Code of Federal Regulations in the manner set forth below:

PART 231—INTERPRETATIVE RELEASES RELATING TO THE SECURITIES ACT OF 1933 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 231 is amended by adding Release No. 33-7288 and the release date of May 9, 1996 to the list of interpretive releases.

PART 241—INTERPRETATIVE RELEASES RELATING TO THE SECURITIES EXCHANGE ACT OF 1934 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 241 is amended by adding Release No. 34-37182 and the release date of May 9, 1996 to the list of interpretive releases.

PART 271—INTERPRETATIVE RELEASES RELATING TO THE INVESTMENT COMPANY ACT OF 1940 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 271 is amended by adding Release No. IC-21945 and the release date of May 9, 1996 to the list of interpretive releases.

PART 276—INTERPRETATIVE RELEASES RELATING TO THE INVESTMENT ADVISERS ACT OF 1940 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 276 is amended by adding Release No. IA-1562 and the release date of May 9, 1996 to the list of interpretive releases.

By the Commission.

Dated: May 9, 1996.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-12176 Filed 5-14-96; 8:45 am]

BILLING CODE 8010-01-P

⁶⁵ Under section 10(a)(3) of the Securities Act, a fund that continuously offers its shares would have to amend its prospectus no less frequently than every 16 months in order to include updated financial statements.

⁶⁶ With *unscheduled* material prospectus amendments for which such advance notice would not be feasible, the fund would need to use other forms of notification such as a postcard or e-mail message. See October Interpretive Release, *supra* note 1, example 43.

⁶⁷ The facts of this example should not be read as imposing any obligation on the issuer to make such other versions of its prospectus available to any person.

⁶⁸ Alternatively, the company may file with the Commission as an appendix to the prospectus the script of the movie and a fair and accurate narrative description of the graphic or image material. See October Interpretive Release, *supra* note 1, example 13.

⁶⁹ Of course, the general principles concerning electronic delivery, as described in the October Interpretive Release, *supra* note 1, would apply.

⁷⁰ See *id.* at 53460.

SECURITIES AND EXCHANGE COMMISSION**17 CFR Parts 200, 228, 229, 230, 232, 239, 240, 270, and 274****[Release No. 33-7289, 34-37183, IC-21946; File No. S7-31-95]****RIN 3235-AG67****Use of Electronic Media for Delivery Purposes****AGENCY:** Securities and Exchange Commission.**ACTION:** Final rule.

SUMMARY: The Securities and Exchange Commission ("Commission") today is adopting technical amendments to its rules that are premised on the distribution of paper documents. These amendments are intended to clarify certain rules in light of the interpretations set forth in the Commission's October 6, 1995 release (Release No. 33-7233 [60 FR 53458]) regarding the use of electronic media for the dissemination of issuer-related information under the federal securities laws ("October Interpretive Release") and the availability of electronic filings on the Commission's World Wide Web site.

EFFECTIVE DATE: The amendments will become effective June 14, 1996.

FOR FURTHER INFORMATION CONTACT:

Joseph P. Babits or James R. Budge, (202) 942-2910, Division of Corporation Finance; and, with regard to questions concerning investment companies and investment advisers, Kathleen K. Clarke, (202) 942-0721, Division of Investment Management, U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: To clarify certain rules in light of the interpretations relating to electronic distribution of securities-related information as set forth in the October Interpretive Release, the Commission is adopting technical amendments to the following rules and forms: Rule 200.80, ¹ Item 502 of Regulation S-B; ² Item 502 of Regulation S-K; ³ Rule 120 ⁴ of the Securities Act of 1933 ("Securities Act"); ⁵ Rule 253 of Regulation A; ⁶ Rule 420 of Regulation C; ⁷ Rules 481 and 482

of Regulation C; ⁸ Rule 605 of Regulation E; ⁹ Rule 304 of Regulation S-T; ¹⁰ Forms F-7, ¹¹ F-8, ¹² F-9, ¹³ F-10 ¹⁴ and F-80; ¹⁵ Rule 12b-12; ¹⁶ Rule 13e-3; ¹⁷ Rule 13e-4; ¹⁸ Schedule 13E-4F; ¹⁹ Rule 14a-3; ²⁰ Rule 14a-5; ²¹ Rule 14a-7; ²² Rule 14c-4; ²³ Rule 14c-7; ²⁴ Rule 14d-5; ²⁵ Schedule 14D-1F; ²⁶ Schedule 14D-9F; ²⁷ under the Securities Exchange Act of 1934 ("Exchange Act"); ²⁸ and Rule 8b-12; ²⁹ Rule 30d-1; ³⁰ Rule 30d-2; ³¹ Form N-1A; ³² Form N-2; ³³ Form N-3; ³⁴ and Form N-4 ³⁵ under the Investment Company Act of 1940 ("Investment Company Act"). ³⁶

I. Introduction

In its October Interpretive Release, the Commission recognized the promise of electronic distribution of information in enhancing investors' ability to access, research, and analyze information, and in facilitating the provision of information by issuers and others.³⁷ Acknowledging the wide spectrum of media available to issuers and others who distribute securities-related information, as well as the fact that strict compliance with requirements applicable to printed material may not be possible in all electronic media, in a companion release, the Commission proposed for comment technical amendments to rules that were

⁸ 17 CFR 230.481 and 230.482.

⁹ 17 CFR 230.605.

¹⁰ 17 CFR 232.304.

¹¹ 17 CFR 239.37.

¹² 17 CFR 239.38.

¹³ 17 CFR 239.39.

¹⁴ 17 CFR 239.40.

¹⁵ 17 CFR 239.41.

¹⁶ 17 CFR 240.12b-12.

¹⁷ 17 CFR 240.13e-3.

¹⁸ 17 CFR 240.13e-4.

¹⁹ 17 CFR 240.13e-102.

²⁰ 17 CFR 240.14a-3.

²¹ 17 CFR 240.14a-5.

²² 17 CFR 240.14a-7.

²³ 17 CFR 240.14c-4.

²⁴ 17 CFR 240.14c-7.

²⁵ 17 CFR 240.14d-5.

²⁶ 17 CFR 240.14d-102.

²⁷ 17 CFR 240.14d-103.

²⁸ 15 U.S.C. 78a *et seq.*

²⁹ 17 CFR 270.8b-12.

³⁰ 17 CFR 270.30d-1.

³¹ 17 CFR 270.30d-2.

³² 17 CFR 274.11A.

³³ 17 CFR 274.11a-1.

³⁴ 17 CFR 274.11b.

³⁵ 17 CFR 274.11c.

³⁶ 15 U.S.C. 80a-1 *et seq.*

³⁷ The Commission has issued a second interpretive release dealing with electronic communication issues relating to broker-dealers, transfer agents, and investment advisers. Several additional examples also were included. See Release No. 33-7288 (May 9, 1996).

premiered on the distribution of paper documents ("Proposing Release").³⁸

The Commission received 12 letters of comment on various issues raised in its October Interpretive Release and Proposing Release; the majority of commenters focused on the October Interpretive Release rather than the Proposing Release.³⁹ Except as noted, the Commission is adopting the amendments as proposed,⁴⁰ and certain other technical rule changes are being made that did not require proposal.⁴¹ The amendments are designed to maintain the intent of the original requirements while allowing flexibility to issuers and others in the choice of distribution medium.

A. General Formatting Requirements

As proposed, Commission rules that prescribe the physical appearance of a paper document, such as type size and font requirements, are being amended to provide that the issuer, when delivering an electronic version of a document, may comply with the requirements by presenting the information in a format readily communicated to investors. Where legends are required to be printed in red ink or bold-face type, or in a different font size, the amended rules will allow issuers to satisfy such requirements by presenting the legends in any manner reasonably calculated to draw attention to them.

³⁸ Release No. 33-7234 (October 6, 1995) [60 FR 53468].

³⁹ These letters are available for inspection and copying in the Commission's public reference room located at 450 Fifth Street, N.W., Washington, D.C. (File No. S7-31-95).

⁴⁰ Certain clarifying modifications have been made to the proposed language of Rule 304(c) of Regulation S-T and the note to Rule 14d-5.

⁴¹ See technical changes to Rule 200.80 of the Commission's rules relating to organization, conduct and ethics and information and requests, Securities Act Rule 120, Item 502 of Regulations S-K and S-B, and Item 601(c) of Regulations S-K and S-B, and to the following Investment Company Act registration statement forms: Form N-1A for open-end investment companies; Form N-2 for closed-end companies; Form N-3 for separate accounts offering variable annuity contracts that are registered under the Investment Company Act as management investment companies; and Form N-4 for separate accounts offering variable annuity contracts that are registered under the Investment Company Act as unit investment trusts. The amendments to Rules 200.80 and 120 relate to agency organization, procedure or practice; therefore, publication for notice and comment is not required under the Administrative Procedure Act. 5 U.S.C. 553(b). With respect to the amendments to Regulations S-K and S-B, and to the Investment Company Act registration statement forms, the Commission for good cause finds that publication of these amendments for notice and comment is unnecessary because they are minor, technical changes. 5 U.S.C. 553(b).

¹ 17 CFR 200.80.

² 17 CFR 228.502.

³ 17 CFR 229.502. Two unrelated technical corrections to Item 601(c) of Regulations S-B and S-K [17 CFR 228.601(c) and 229.601(c), respectively] also are included in this release.

⁴ 17 CFR 230.120.

⁵ 15 U.S.C. 77a *et seq.*

⁶ 17 CFR 230.253.

⁷ 17 CFR 230.420.

B. Graphic, Image and Audio Information

1. Documents Delivered to Investors

With respect to documents delivered to investors, the proposed rules provided that if material graphic, image and audio information is included in one version of a disclosure document, but not in other versions, the issuer must include in the other versions a fair and accurate description or transcript of the omitted information. The Commission has determined that this language is not necessary to ensure compliance with the federal securities laws; consequently, the adopted rules do not include it. Where more than one version of a document is delivered to investors, each version must contain all information required by, and otherwise comply with, the requirements of the applicable form and other provisions of the federal securities laws.⁴² The issuer (or other party to whom the law assigns the responsibility) remains responsible for ensuring that each version satisfies applicable statutory and regulatory requirements.⁴³

2. Documents Filed With the Commission

Documents containing video, audio and graphic presentations currently cannot be filed on the EDGAR system. Where these presentations are used in documents delivered to investors, Rule 304 of Regulation S-T has always required electronic filers to provide fair and accurate descriptions of omitted materials in their EDGAR filings. Rule 304 initially was phrased in terms of graphic and image material included in "the paper format version" of an EDGAR filing. To reflect the possibility of the delivery of an electronic version that differs from the EDGAR filing, the Commission is amending Rule 304 to provide that wherever the "document delivered to investors or others" includes graphic, image or audio information that cannot be reproduced in an electronic filing on EDGAR, the EDGAR filing must include a fair and accurate narrative description, tabular

⁴² See Release No. 33-7288 (May 9, 1996), Part IV, example (7).

⁴³ Differing versions of a document may need to be filed with the Commission. For example, differing prospectuses should be filed with the Commission pursuant to Rule 424 [17 CFR 230.424] or Rule 497 [17 CFR 230.497]. Alternatively, the company may file with the Commission as an appendix to the prospectus a fair and accurate description of any omitted material. As discussed below, graphic, image and audio material should be described in EDGAR filings pursuant to Rule 304 of Regulation S-T.

presentation or transcript of the omitted material.⁴⁴

C. Rules Where Mailing Is Identified as a Delivery Method

Certain Commission rules provide that information may be distributed to investors by mail. While some indicate that reasonably prompt alternative delivery methods may be used,⁴⁵ others specifically require "mailing." These rules should be read consistently to allow the use of alternative methods of distribution that are reasonably prompt. These rules are being amended where necessary to reflect this view.⁴⁶

D. Identification of Where Filings Are Available for Inspection

Rule 200.80 identifies the public reference rooms located in Washington, D.C. and other designated Regional Offices as the primary locations where documents filed with the Commission may be inspected and copied; in addition, Securities Act Rule 120 states that registration statements are available for public inspection during business hours at Commission headquarters. Other rules require a registrant that is a reporting company to include on the inside front cover of a prospectus a statement to the effect that reports and other information filed by the registrant may be inspected and copied at the Commission's public reference rooms.⁴⁷ The Commission now also makes electronic filings publicly available on the Internet within 24 hours of acceptance.⁴⁸ Consequently, the Commission believes it is appropriate, as a reflection of this agency's current dissemination procedures and practices,

⁴⁴ Of course, immaterial differences would not need to be described. The rule retains the provisions that all such omitted material is deemed filed as part of the electronic filing and that copies of the document as distributed should be retained by the issuer for a period of five years. One commenter suggested that rather than require descriptions, the Commission should allow the filing of documents in formats that currently are not compatible with EDGAR. This suggestion fundamentally relates to the design of the EDGAR system, which currently is being reevaluated by the staff; any necessary rulemaking related to electronic filing will be undertaken as modifications to the EDGAR system are developed and implemented in the future.

⁴⁵ See e.g., Rule 14d-4(a)(2)(ii) [17 CFR 240.14d-4(a)(2)(ii)].

⁴⁶ Where the costs of distribution are to be calculated under the rules, the amendments provide that methods analogous to those applicable to mailing should be used where alternative delivery methods are chosen. In that regard, the proposed change to Rule 14d-5 has been modified to provide greater guidance with respect to cost calculation under that rule.

⁴⁷ Item 502(a) of Regulations S-K and S-B [17 CFR 229.502(a) and 228.502(a), respectively].

⁴⁸ See Commission News Release No. 95-195 (September 28, 1995).

to amend Rules 200.80(c) and 120 to include a statement that electronic filings are publicly available on the Commission's Web site.⁴⁹ The prospectus requirements also have been amended to provide for the inclusion of a statement that the Commission maintains a Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.⁵⁰

The Commission also is amending certain investment company registration statement forms to provide for inclusion of a statement on the cover page of prospectuses that the Commission maintains a Web site that contains the Statement of Additional Information, material incorporated by reference, and other information regarding registrants that file electronically with the Commission.⁵¹ This new requirement is limited to prospectuses disseminated electronically by investment companies that are electronic filers because it should not impose any significant additional burden on such registrants to include the disclosure in those prospectuses. The Commission intends to propose expanding this requirement to apply to all investment company prospectuses as part of future amendments to investment company registration forms.

II. Cost-Benefit Analysis

Quick and broad access to material information was one of the fundamental premises upon which the federal securities laws were adopted, and electronic distribution no doubt will benefit issuers and investors through cheaper and faster communication of information. While the Commission expects the increased use of electronic media to benefit securities markets and investors by making disclosure available faster and more cheaply, it does not anticipate that the amendments will, in and of themselves, result in substantial economic costs or benefits. Those benefits will be derived from advances in technology, and not from the minor technical amendments that are the subject of this rulemaking.

⁴⁹ A correction to the cross reference to confidential treatment rules in Rule 120 also is being adopted.

⁵⁰ Item 502(a) of Regulations S-K and S-B. The Commission's Internet address is <http://www.sec.gov>.

⁵¹ See amendments to Item 1(a)(iii)(C) of Form N-1A; Item 1.1.d(C) of Form N-2; Item 1(a)(vi)(C) of Form N-3; and Item 1(a)(v)(C) of Form N-4. This new requirement would apply to any prospectus that is disseminated electronically by an investment company that is an electronic filer after the effective date of these rules, but the new disclosure would not necessitate filing a prospectus supplement or "stickering" the prospectus.

III. Regulatory Flexibility Act Certification

Pursuant to section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Chairman of the Commission has certified that the amendments will not have a significant economic impact on a substantial number of small entities. This certification, including the reasons therefor, was attached to the Proposing Release as Appendix A.

IV. Statutory Bases

The amendments to the Commission's rules under the Securities Act and amendments to the Commission's rules under the Exchange Act are being made pursuant to Sections 6, 7, 8, 10 and 19(a) of the Securities Act and Sections 3, 4, 10, 12, 13, 14, 15, 16 and 23 of the Exchange Act. The amendments to the Commission's rules under the Investment Company Act are being made pursuant to Sections 8(b) and 38(a) under the Investment Company Act, as amended.

List of Subjects

17 CFR Parts 200, 228, 229, 230, 232, 239, 240, 270 and 274

Investment companies, Reporting and recordkeeping requirements, Securities.

Text of the Amendments

In accordance with the foregoing, Title 17, chapter II of the Code of Federal Regulations is amended as follows:

PART 200—ORGANIZATION; CONDUCT AND ETHICS; AND INFORMATION AND REQUESTS

1. The authority citation for Part 200 continues to read in part as follows:

Authority: 15 U.S.C. 77s, 78d-1, 78d-2, 78w, 78ll(d), 79t, 77sss, 80a-37, 80b-11, unless otherwise noted.

* * * * *

2. By amending § 200.80 by adding paragraph (c)(3), to read as follows:

§ 200.80 Commission records and information.

* * * * *

(c)(1) * * *

(3) Electronic filings made through the Electronic Data Gathering, Analysis, and Retrieval system are publicly available through the Commission's Web site (<http://www.sec.gov>).

* * * * *

PART 228—INTEGRATED DISCLOSURE SYSTEM FOR SMALL BUSINESS ISSUERS

3. The authority citation for Part 228 continues to read as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77jjj, 77nnn, 77sss, 78l, 78m, 78n, 78o, 78w, 78ll, 80a-8, 80a-29, 80a-30, 80a-37, 80b-11, unless otherwise noted.

4. By amending § 228.502 by revising paragraph (a)(2) to read as follows:

§ 228.502 (Item 502) Inside front and outside back cover pages of prospectus.

* * * * *

(a)(1) * * *

(2) If the small business issuer is a reporting company, state that the reports and other information filed by the small business issuer may be inspected and copied at the public reference facilities of the Commission in Washington D.C., and at some of its Regional Offices (include addresses), and that copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington D.C. 20549, at prescribed rates. If the small business issuer is an electronic filer, state that the Commission maintains a Web site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the Commission and state the address of such site (<http://www.sec.gov>); and

* * * * *

§ 228.601 [Amended]

5. By amending § 228.601(c) by revising the headings "Note 1 to paragraph (c)(1)(vi)" to read "Note 1 to paragraph (c)(1)" and "Note 2 to paragraph (c)(1)(vi)" to read "Note 2 to paragraph (c)(1)".

PART 229—STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 AND ENERGY POLICY AND CONSERVATION ACT OF 1975—REGULATION S-K

6. The authority citation for Part 229 continues to read in part as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 78c, 78i, 78j, 78l, 78m, 78n, 78o, 78w, 78ll(d), 79e, 79n, 79t, 80a-8, 80a-29, 80a-30, 80a-37, 80b-11, unless otherwise noted.

* * * * *

7. By amending § 229.502 by revising paragraph (a)(2) to read as follows:

§ 229.502 (Item 502) Inside front and outside back cover pages of prospectus.

* * * * *

(a) * * *

(2) State that reports (and where the registrant is subject to sections 14(a) and 14(c) of the Exchange Act, proxy and

information statements) and other information filed by the registrant can be inspected and copied at the public reference facilities maintained by the Commission in Washington, D.C., and at certain of its Regional Offices, and state the current address of each such facility (see §§ 200.11(b) and 200.80(c) of this chapter), and that copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. If the registrant is an electronic filer, state that the Commission maintains a Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission and state the address of such site (<http://www.sec.gov>); and

* * * * *

229.601 [Amended]

8. By amending § 229.601(c) by revising the heading "Note 1 to paragraph (c)(1)(vi)" to read "Note 1 to paragraph (c)(1)" and "Note 2 to paragraph (c)(1)(vi)" to read "Note 2 to paragraph (c)(1)".

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

9. The authority citation for Part 230 continues to read in part as follows:

Authority: 15 U.S.C. 77b, 77f, 77g, 77h, 77j, 77s, 77sss, 78c, 78d, 78l, 78m, 78n, 78o, 78w, 78ll(d), 79t, 80a-8, 80a-29, 80a-30, and 80a-37, unless otherwise noted.

* * * * *

10. By revising § 230.120 to read as follows:

§ 230.120 Inspection of registration statements.

Except for material contracts or portions thereof accorded confidential treatment pursuant to § 230.406, all registration statements are available for public inspection, during business hours, at the principal office of the Commission in Washington, D.C. Electronic registration statements made through the Electronic Data Gathering, Analysis, and Retrieval system are publicly available through the Commission's Web site (<http://www.sec.gov>).

11. By amending § 230.253 by designating the text of paragraph (b) after the heading as paragraph (b)(1) and by adding paragraph (b)(2), to read as follows:

§ 230.253 Offering circular.

* * * * *

(b) Presentation of information.

(1) * * *

(2) Where an offering circular is distributed through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents by presenting all required information in a format readily communicated to investors.

* * * * *

12. By amending § 230.420 by designating the text as paragraph (a) and by adding paragraph (b), to read as follows:

§ 230.420 Legibility of prospectus.

(a) * * *

(b) Where a prospectus is distributed through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents, such as paper size, type size and font, bold-face type, italics and red ink, by presenting all required information in a format readily communicated to investors, and where indicated, in a manner reasonably calculated to draw investor attention to specific information.

13. By amending § 230.481 to add paragraph (h) to read as follows:

§ 230.481 Information required in prospectus.

* * * * *

(h) Where a prospectus is distributed through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents, such as paper size, type size and font, bold-face type, italics and red ink, by presenting all required information in a format readily communicated to investors, and where indicated, in a manner reasonably calculated to draw investor attention to specific information.

14. By amending § 230.482 by removing the note following paragraph (a)(7) and adding a note to paragraph (a)(6), to read as follows:

§ 230.482 Advertising by an investment company as satisfying requirements of section 10.

(a) * * *

(6) * * *

Note to paragraph (a)(6). All advertisements made pursuant to this rule are subject to Rule 420 [17 CFR 230.420].

* * * * *

15. By amending § 230.605 by designating the text of paragraph (c) as paragraph (c)(1) and by adding paragraph (c)(2) to read as follows:

§ 230.605 Filing and use of the offering circular.

* * * * *

(c)(1) * * *

(2) Where an offering circular is distributed through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents by presenting all required information in a format readily communicated to investors.

* * * * *

PART 232—REGULATION S—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

16. The authority citation for Part 232 continues to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s(a), 77sss(a), 78c(b), 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79t(a), 80a-8, 80a-29, 80a-30 and 80a-37.

17. By amending § 232.304 by revising the section heading, paragraphs (a), (b)(1), and (c) to read as follows:

§ 232.304 Graphic, image and audio material.

(a) If a filer includes graphic, image or audio material in a document delivered to investors and others that cannot be reproduced in an electronic filing, the electronically filed version of that document shall include a fair and accurate narrative description, tabular representation or transcript of the omitted material. Such descriptions, representations or transcripts may be included in the text of the electronic filing at the point where the graphic, image or audio material is presented in the delivered version, or they may be listed in an appendix to the electronic filing. Immaterial differences between the delivered and electronically filed versions, such as pagination, color, type size or style, or corporate logo need not be described.

(b)(1) The graphic, image and audio material in the version of a document delivered to investors and others shall be deemed part of the electronic filing and subject to the liability and anti-fraud provisions of the federal securities laws.

(2) * * *

(c) An electronic filer shall retain for a period of five years a copy of each publicly distributed document, in the format used, that contains graphic, image or audio material where such material is not included in the version filed with the Commission. The five-year period shall commence as of the filing date, or the date that appears on the document, whichever is later. Upon request, an electronic filer shall furnish to the Commission or its staff a copy of any or all of the documents contained in the file.

* * * * *

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

18. The authority citation for Part 239 continues to read in part as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 77sss, 78c, 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79e, 79f, 79g, 79j, 79l, 79m, 79n, 79q, 79t, 80a-8, 80a-29, 80a-30 and 80a-37, unless otherwise noted.

* * * * *

19. By amending Form F-7 (referenced in § 239.37) by adding a note to Part I, Item 2, to read as follows:

Note.—The text of Form F-7 does not, and this amendment will not, appear in the Code of Federal Regulations.

Form F-7

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

* * * * *

PART I

INFORMATION REQUIRED TO BE SENT TO SHAREHOLDERS

* * * * *

Item 2. Information Legends

* * * * *

Note to Item 2. If the home-jurisdiction document(s) are delivered through an electronic medium, the issuer may satisfy the legibility requirements for the required legends relating to type size and font by presenting the legends in any manner reasonably calculated to draw investor attention to it.

* * * * *

20. By amending Form F-8 (referenced in § 239.38) by adding a note to Part I, Item 2, to read as follows:

Note.—The text of Form F-8 does not, and this amendment will not, appear in the Code of Federal Regulations.

Form F-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

* * * * *

PART I

INFORMATION REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS

* * * * *

Item 2. Informational Legends

* * * * *

Note to Item 2. If the home-jurisdiction document(s) are delivered through an electronic medium, the issuer may satisfy the legibility requirements for the required legends relating to type size and font by presenting the legends in any manner reasonably calculated to draw investor attention to it.

* * * * *

21. By amending Form F-9 (referenced in § 239.39) by adding a note to Part I, Item 2, to read as follows:

Note.—The text of Form F-9 does not, and this amendment will not, appear in the Code of Federal Regulations.

Form F-9
REGISTRATION STATEMENT UNDER THE
SECURITIES ACT OF 1933

* * * * *

PART I

INFORMATION REQUIRED TO BE
DELIVERED TO OFFEREES OR
PURCHASERS

* * * * *

Item 2. Informational Legends

* * * * *

Note to Item 2. If the home-jurisdiction document(s) are delivered through an electronic medium, the issuer may satisfy the legibility requirements for the required legends relating to type size and font by presenting the legends in any manner reasonably calculated to draw investor attention to it.

* * * * *

22. By amending Form F-10 (referenced in § 239.40) by adding a note to Part I, Item 3, to read as follows:

Note.—The text of Form F-10 does not, and this amendment will not, appear in the Code of Federal Regulations.

Form F-10
REGISTRATION STATEMENT UNDER THE
SECURITIES ACT OF 1933

* * * * *

PART I

INFORMATION REQUIRED TO BE
DELIVERED TO OFFEREES OR
PURCHASERS

* * * * *

Item 3. Informational Legends

* * * * *

Note to Item 3. If the home-jurisdiction document(s) are delivered through an electronic medium, the issuer may satisfy the legibility requirements for the required legends relating to type size and font by presenting the legends in any manner reasonably calculated to draw investor attention to it.

* * * * *

23. By amending Form F-80 (referenced in § 239.41) by adding a note to Part I, Item 2, to read as follows:

Note.—The text of Form F-80 does not, and this amendment will not, appear in the Code of Federal Regulations.

Form F-80
REGISTRATION STATEMENT UNDER THE
SECURITIES ACT OF 1933

* * * * *

PART I

INFORMATION REQUIRED TO BE
DELIVERED TO OFFEREES OR
PURCHASERS

* * * * *

Item 2. Informational Legends

* * * * *

Note to Item 2. If the home-jurisdiction document(s) are delivered through an electronic medium, the issuer may satisfy the legibility requirements for the required legends relating to type size and font by presenting the legends in any manner reasonably calculated to draw investor attention to it.

* * * * *

**PART 240—GENERAL RULES AND
REGULATIONS, SECURITIES
EXCHANGE ACT OF 1934**

24. The authority citation for Part 240 continues to read in part as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78i, 78j, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78w, 78x, 78ll(d), 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

* * * * *

25. The authority citation following § 240.14d-5 is removed.

26. By amending § 240.12b-12 by adding paragraph (e) to read as follows:

§ 240.12b-12 Requirements as to paper, printing and language.

* * * * *

(e) Where a statement or report is distributed to investors through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents, such as paper size and type size and font, by presenting all required information in a format readily communicated to investors.

27. By amending § 240.13e-3 by designating the instructions to paragraph (e)(3) immediately following paragraph (e)(3)(ii)(B) as "Instructions to paragraph (e)(3)" and by adding instruction 3 thereto, to read as follows:

§ 240.13e-3 Going private transactions by certain issuers or their affiliates.

* * * * *

- (e) * * *
- (3) * * *

Instructions to paragraph (e)(3).

- 1. * * *
- 2. * * *

3. If the information delivered to security holders is distributed through an electronic medium and the legend required by paragraph (e)(3)(ii) is included, issuers may satisfy the legibility requirement relating to type size and font by presenting the legend in any manner reasonably calculated to draw security holder attention to it.

* * * * *

28. By amending § 240.13e-4 by revising paragraph (e)(1)(ii)(A), to read as follows:

§ 240.13e-4 Tender offers by issuers.

* * * * *

(e) * * *

(1) * * *

(ii) * * *

(A) By mailing or otherwise furnishing promptly the statement required by paragraph (d)(1) of this section to each security holder whose name appears on the most recent shareholder list of the issuer;

* * * * *

29. By amending Schedule 13E-4F (§ 240.13e-102) by adding a note to Item 2 of Part I, to read as follows:

§ 240.13e-102 Schedule 13E-4F. Tender offer statement pursuant to section 13(e)(1) of the Securities Exchange Act of 1934 and § 240.13e-4 thereunder.

* * * * *

Part I—Information Required To Be Sent to Shareholders

* * * * *

Item 2. * * *

Note to Item 2. If the home jurisdiction document(s) are delivered through an electronic medium, the issuer may satisfy the legibility requirements for the required legends relating to type size and fonts by presenting the legend in any manner reasonably calculated to draw security holder attention to it.

* * * * *

30. By amending § 240.14a-3 by designating the text of paragraph (b)(2) as (b)(2)(i) and by adding paragraph (b)(2)(ii), to read as follows:

§ 240.14a-3 Information to be furnished to security holders.

* * * * *

- (b) * * *
- (2)(i) * * *

(ii) Where the annual report to security holders is delivered through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents, such as type size and font, by presenting all required information in a format readily communicated to investors.

* * * * *

31. By amending § 240.14a-5 by designating the text of paragraph (d) as paragraph (d)(1) and by adding paragraph (d)(2), to read as follows:

§ 240.14a-5 Presentation of information in proxy statement.

* * * * *

(d)(1) * * *

(2) Where a proxy statement is delivered through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents, such as type size and font, by presenting all required information in a format readily communicated to investors.

* * * * *

32. By amending § 240.14a-7 by adding a note at the end of the section, to read as follows:

§ 240.14a-7 Obligations of registrants to provide a list of, or mail soliciting material to, security holders.

* * * * *

Note to § 240.14a-7. Reasonably prompt methods of distribution to security holders may be used instead of mailing. If an alternative distribution method is chosen, the costs of that method should be considered where necessary rather than the costs of mailing.

33. By amending § 240.14c-4 by adding paragraph (d), to read as follows:

§ 240.14c-4 Presentation of information in information statement.

* * * * *

(d) Where an information statement is delivered through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents, such as type size and font, by presenting all required information in a format readily communicated to investors.

34. By amending § 240.14c-7 by revising paragraph (c), to read as follows:

§ 240.14c-7 Providing copies of material for certain beneficial owners.

* * * * *

(c) A registrant, at its option, may send by mail or other equally prompt means, its annual report to security holders to the beneficial owners whose identifying information is provided by record holders and respondent banks, pursuant to § 240.14b-1(b)(3) and § 240.14b-2(b)(4) (ii) and (iii), provided that such registrant notifies the record holders and respondent banks at the time it makes the inquiry required by paragraph (a) of this section that the registrant will send the annual report to security holders to the beneficial owners so identified.

* * * * *

35. By amending § 240.14d-5 by adding a note at the end of the section, to read as follows:

§ 240.14d-5 Dissemination of certain tender offers by the use of stockholder lists and security position listings.

* * * * *

Note to § 240.14d-5. Reasonably prompt methods of distribution to security holders may be used instead of mailing. If alternative methods are chosen, the approximate direct costs of distribution shall be computed by adding the estimated direct costs of preparing the document for distribution through the chosen medium (including updating of shareholder lists) plus the estimated reasonable cost of distribution through that medium. Direct costs incidental to the

distribution of tender offer materials and amendments thereto may include all reasonable charges paid by the subject company to third parties for supplies or services, including costs attendant to preparing shareholder lists, handling the bidder's materials, and contacting participants named on security position listings, but shall not include indirect costs, such as employee time which is devoted to either contesting or supporting the tender offer on behalf of the subject company.

36. By amending Schedule 14D-1F (§ 240.14d-102) by adding a note to Item 2 of Part I, to read as follows:

§ 240.14d-102 Schedule 14D-1F. Tender offer statement pursuant to rule 14d-1(b) under the Securities Exchange Act of 1934.

* * * * *

PART I—INFORMATION REQUIRED TO BE SENT TO SHAREHOLDERS

* * * * *

Item 2. Informational Legends

* * * * *

Note to Item 2. If the home-jurisdiction document(s) are delivered through an electronic medium, the issuer may satisfy the legibility requirements for the required legends relating to type size and font by presenting the legend in any manner reasonably calculated to draw security holder attention to it.

* * * * *

37. By amending Schedule 14D-9F (§ 240.14d-103) by adding a note to Item 2 of Part I, to read as follows:

§ 240.14d-103 Schedule 14D-9F. Solicitation/recommendation statement pursuant to section 14(d)(4) of the Securities Exchange Act of 1934 and rules 14d-1(b) and 14e-2(c) thereunder.

* * * * *

Part I—Information Required To Be Sent to Shareholders

* * * * *

Item 2. Informational Legends

* * * * *

Note to Item 2. If the home jurisdiction document(s) are delivered through an electronic medium, the issuer may satisfy the legibility requirements for the required legends relating to type size and font by presenting the legend in any manner reasonably calculated to draw security holder attention to it.

* * * * *

PART 270—GENERAL RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940

38. The authority citation for Part 270 continues to read, in part, as follows:

Authority: 15 U.S.C. 80a-1 *et seq.*, 80a-37, 80a-39, unless otherwise noted;

* * * * *

39. The authority citations following § 270.8b-12 are removed.

40. By amending § 270.8b-12 by adding paragraph (f) to read as follows:

§ 270.8b-12 Requirements as to paper, printing and language.

* * * * *

(f) Where a registration statement or report is distributed through an electronic medium, issuers may satisfy legibility requirements applicable to printed documents, such as paper size, type size and font, bold-face type, italics and red ink, by presenting all required information in a format readily communicated to investors, and where indicated, in a manner reasonably calculated to draw investor attention to specific information.

§ 270.30d-1 [Amended]

41. By amending § 270.30d-1 by revising the word "mailed" in paragraph (c) to read "transmitted", revising the word "mailed" in the last sentence of paragraph (d)(2) to read "transmitted", and revising the word "mailed" in paragraph (e) to read "transmitted".

§ 270.30d-2 [Amended]

42. By amending § 270.30d-2 by removing from the first sentence the phrase "by mail, postage prepaid,"; and in the second sentence, by revising the word "mailed" to read "transmitted" and by revising the word "mailing" to read "transmitting".

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

PART 274—FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940

43. The authority citation for Part 274 continues to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 78c(b), 78l, 78m, 78n, 78o(d), 80a-8, 80a-24, and 80a-29, unless otherwise noted.

44. By amending Part A, Information Required in a Prospectus, Item 1(a)(iii) of Form N-1A (referenced in §§ 239.15A and 274.11A) by adding a sentence to the end of the parenthetical following paragraph (C) to read as follows:

[Note: The text of Form N-1A does not and these amendments will not appear in the Code of Federal Regulations.]

Form N-1A

* * * * *

**PART A
INFORMATION REQUIRED IN A PROSPECTUS**

Item 1. Cover Page

(a) * * *

(iii) * * *
(C) * * * (* * * If the Registrant intends to disseminate its prospectus electronically and is an electronic filer, also include the information that the Commission maintains a Web site (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference, and other information regarding registrants that file electronically with the Commission.);

45. By amending Part A, Information Required in a Prospectus, Item 1.1.d of Form N-2 (referenced in §§ 239.14 and 274.11a-1) by adding a sentence at the end of the parenthetical following paragraph (C) to read as follows:

[Note: The text of Form N-2 does not and these amendments will not appear in the Code of Federal Regulations.]

Form N-2
* * * * *

PART A—INFORMATION REQUIRED IN A PROSPECTUS

Item 1. Outside Front Cover

- 1. * * *
- d. * * *
- (C) * * * (* * * If the Registrant intends to disseminate its prospectus electronically and is an electronic filer, also include the information that the Commission maintains a Web site (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference, and other

information regarding registrants that file electronically with the Commission.);

46. By amending Part A, Information Required in a Prospectus, Item 1(a)(vi) of Form N-3 (referenced in §§ 239.17a and 274.11b) by adding a sentence at the end of the parenthetical following paragraph (C) to read as follows:

[Note: The text of Form N-3 does not and these amendments will not appear in the Code of Federal Regulations.]

Form N-3
* * * * *

Part A

INFORMATION REQUIRED IN A PROSPECTUS

Item 1. Cover Page

- (a) * * *
- (vi) * * *
- (C) * * * (* * * If the Registrant intends to disseminate its prospectus electronically and is an electronic filer, also include the information that the Commission maintains a Web site (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference, and other information regarding registrants that file electronically with the Commission.);

47. By amending Part A, Information Required in a Prospectus, Item 1(a)(v) of

Form N-4 (referenced in §§ 239.17b and 274.11c) by adding a sentence at the end of the parenthetical following paragraph (C) to read as follows:

[Note: The text of Form N-4 does not and these amendments will not appear in the Code of Federal Regulations.]

Form N-4
* * * * *

Part A

INFORMATION REQUIRED IN A PROSPECTUS

Item 1. Cover Page

- (a) * * *
- (v) * * *
- (C) * * * (* * * If the Registrant intends to disseminate its prospectus electronically and is an electronic filer, also include the information that the Commission maintains a Web site (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference, and other information regarding registrants that file electronically with the Commission.);

By the Commission.

Dated: May 9, 1996.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-12177 Filed 5-14-96; 8:45 am]

BILLING CODE 8010-01-P