offerings be modified? Comment is specifically requested on the treatment of asset-backed securities and structured securities and particularly whether any exemption from the requirements of Rule 15c6-1 is needed for offerings of such securities. Would any exemption be needed if managing underwriters are given the ability to set alternate settlement time frames as previously discussed? Further, the Commission also invites comment on whether offerings of any other classes of securities pursuant to a firm commitment underwriting may need to be exempted from the scope of Rule 15c6-1.

IV. Cost-Benefit Analysis

To evaluate fully the costs and benefits associated with the proposals, the Commission requests commenters to provide views and empirical data as to the costs and benefits associated with such proposals. The proposals are expected to benefit issuers and other participants in certain offerings by lowering the transaction costs associated with the printing and delivery of prospectuses, and by providing them additional flexibility in reacting to changes in market conditions and in clearance and settlement of trades. For example, mass printing and delivery of a supplementing memorandum or abbreviated supplementing memorandum, due to its expected brevity, would be expected to consume far less time and be less expensive for issuers to undertake than would production of a traditional final prospectus. Furthermore, the proposals are not expected to diminish investor protection; rather, investors would be expected to benefit from the proposals since offering participants would be required to settle certain underwritten offerings in T+3 as opposed to T+5.

V. Summary of Initial Regulatory Flexibility Analysis

The Commission has prepared an Initial Regulatory Flexibility Analysis ("IRFA"), pursuant to the requirements of the Regulatory Flexibility Act,77 regarding the proposed rule and amendments to existing regulations. The IRFA notes that the proposed rule and amendments are intended to provide entities with, and reflect the availability of, greater flexibility and efficiency with respect to the timing of printing and delivery of prospectus information, thereby facilitating compliance with Rule 15c6–1 under the Exchange Act and access to the public securities markets. As discussed more fully in the

It is expected that the overall effect of the proposed rule and amendments will provide entities increased efficiency in raising capital from the public securities markets. The proposal to provide for the incremental delivery of prospectus information, if adopted, would apply to any entity engaged in a public distribution with respect to an eligible offering. The proposed amendments to Securities Act regulations are intended to streamline the registration process and thereby facilitate compliance with prospectus delivery within T+3 and would apply to any entity engaged in a public offering of securities. The proposed amendments to Exchange Act regulations are intended to reflect the availability of expedited delivery of prospectus information provided by the proposed new rule and amendments to the Securities Act regulations.

Commenters are encouraged to comment on any aspect of the analysis. Such comments will be considered in the preparation of the Final Regulatory Flexibility Analysis if the proposed rule and amendments are adopted. A copy of the IRFA may be obtained from Michael Mitchell, Division of Corporation Finance, Securities and Exchange Commission, 450 Fifth Street, NW., Mail Stop 3–3, Washington, DC 20549, (202) 942–2900.

VI. General Request for Comments

Any interested person wishing to submit written comments on any aspect of the proposed rule and amendments to the rules and forms, as well as on other matters that might have an impact on the proposals contained herein, is requested to do so. In addition, the Commission requests comment on whether any further changes to the rules and forms are necessary or appropriate to facilitate T+3 at this time. Comment is requested specifically from investors, broker-dealers, underwriters, issuers,

analysts and other persons that rely on the information provided in the prospectus supplement. Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, U.S. Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549 and should refer to file number S7–7–95.

VII. Statutory Bases

The proposed rule and the amendments to the Commission's rules and forms under the Securities Act are being proposed pursuant to sections 6, 7, 8, 10 and 19(a) of the Securities Act of 1933, as amended. The proposed revisions to the Commission's rules under the Exchange Act are being proposed pursuant to sections 3, 10, 12, 15 and 23 of the Securities Exchange Act of 1934, as amended.

List of Subjects in 17 CFR Parts 228, 229, 230, 239, and 240

Brokers, Investment companies, Reporting and recordkeeping requirements, Securities, Small businesses.

Text of Proposed Amendments

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

PART 228—INTEGRATED DISCLOSURE SYSTEM FOR SMALL BUSINESS ISSUERS

1. 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, 781, 78m, 78n, 78o, 78w, 781l, 80a–8, 80a–29, 80a–30, 80a–37, 80b–11, unless otherwise noted.

2. By revising paragraph (b) and paragraph (c) of § 228.503 to read as follows:

$\S\,228.503$ (Item 503) Summary Information and Risk Factors.

- (b) Address and telephone number. Include in the prospectus the complete mailing address and telephone number of the small business issuer's principal
- executive offices.

 (c) Risk factors. Small business issuers discuss, on the page immediately following the cover page of the prospectus (or following the summary, if included), or on the page immediately following a section containing pricing information where such section immediately follows the cover page (or following the summary, if included), any factors that make the offering speculative or risky. These

analysis, the proposed rule and amendments to Securities Act regulations are anticipated to decrease costs associated with fulfilling entities' prospectus delivery obligations under the Securities Act. The proposed amendments to Exchange Act regulations are not anticipated to have any significant economic impact on entities. The proposed rule could impose minimal additional reporting, recordkeeping or compliance requirements, while the proposed amendments would not impose any new reporting, recordkeeping or compliance requirements on any entities. No alternatives to the proposed rule and amendments consistent with their objectives and the Commission's statutory mandate were found.

^{77 5} U.S.C. 603 (1988).