

according to a comprehensive body of accounting principles other than U.S. GAAP, the disclosures specified by Item 18(c) of Form 20-F (17 CFR 249.220f) shall be furnished, except that note disclosures shall be limited to those specified in paragraph (b)(3) of this Item. However, foreign private issuers that comply with Item 17 of Form 20-F rather than Item 18 may furnish the disclosure specified by Item 17(c) in the notes to the abbreviated financial statements. Where Item 17(c) permits the omission of a disclosure from the notes to the full financial statements, that disclosure shall not be included in the notes to the abbreviated financial statements even if specified for disclosure by paragraph (b)(3) of this Item.

(2) Abbreviated financial statements shall be provided for the periods specified by Rule 3-19 of Regulation S-X (17 CFR 210.3-19).

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

5. 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, 78l, 78m, 78n, 78o, 78w, 78ll(d), 79t, 80a-8, 80a-29, 80a-30, and 80a-37, unless otherwise noted.

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6. By amending Part 230 by adding § 230.435 to read as follows:

#### **§ 230.435 Abbreviated financial statements.**

(a) For purposes of this section:

(1) The term *full financial statements* shall mean financial statements filed with the Commission meeting the requirements of Regulation S-X (17 CFR 210), or, for small business issuers, Item 310 of Regulation S-B (§ 228.310 of this chapter).

(2) The term *abbreviated financial statements* shall mean financial statements that include the information specified in Item 305(b) of Regulation S-B (§ 228.305(b) of this chapter) or Item 305(b) of Regulation S-K (§ 229.305(b) of this chapter).

(b) A prospectus containing abbreviated financial statements shall not be deemed materially misleading or omitting material facts from the prospectus within the meaning of the federal securities laws based on the omission from the prospectus of those financial statement footnotes permitted by Item 305 of Regulation S-B (§ 228.305 of this chapter) or Item 305 of Regulation S-K (§ 229.305 of this chapter) deemed a part of the prospectus, provided the registrant has

complied with Item 305 of Regulation S-B or Item 305 of Regulation S-K.

(c) The full financial statements that are omitted from a prospectus shall be deemed to be part of the prospectus.

7. By amending § 230.502 of Regulation D by adding a sentence at the end of paragraph (b)(2)(i)(B)(1) to read as follows:

#### **§ 230.502 General conditions to be met.**

\* \* \* \* \*

(b) *Information requirements.* \* \* \*

(2) *Type of information to be furnished.* \* \* \*

(i) \* \* \*

(B) *Financial statement information.*

\* \* \*

(1) *Offerings up to \$2,000,000.* \* \* \*

If the issuer satisfies the eligibility criteria in Item 305(a) of Regulation S-B (§ 228.305(a) of this chapter), the issuer may provide the abbreviated financial statements required by Item 305 of Regulation S-B (§ 228.305 of this chapter) rather than the information required in Item 310 of Regulation S-B (§ 228.310 of this chapter).

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#### **PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933**

8. 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, 79l, 79t, 80a-8, 80a-29, 80a-30 and 80a-37, unless otherwise noted.

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9. By amending Form SB-1 (referenced in § 239.9) by revising Part F/S and adding Item 7 to Part II to read as follows:

**Note**—The text of Form SB-1 does not, and this amendment will not, appear in the Code of Federal Regulations.

Form SB-1

Registration Statement Under the Securities Act of 1933

\* \* \* \* \*

Part F/S—Financial Information Required in Prospectus

Furnish either: (1) the full financial statements required by Item 310 of Regulation S-B (§ 228.310 of this chapter); or (2) the abbreviated financial statements required by Item 305 of Regulation S-B (§ 228.305 of this chapter). The option to furnish abbreviated financial statements is available only to registrants satisfying the eligibility criteria in Item 305(a) of Regulation S-B.

#### **Instruction to Part F/S**

Abbreviated financial statements meeting the requirements of Item 305 of Regulation S-B may be furnished with respect to businesses acquired or to be acquired, except

that the information need only be provided for the periods specified by Item 310(c) of Regulation S-B. This option is available only if the business acquired or to be acquired satisfies the eligibility criteria in Item 305(a)(1) of Regulation S-B.

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Part II—Information Not Required in Prospectus

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#### **Item 7. Financial Statements**

If abbreviated financial statements are furnished in the prospectus pursuant to Part F/S of this Form SB-1, furnish the full financial statements required by Item 310 of Regulation S-B and the independent accountant's report thereon.

\* \* \* \* \*

10. By amending Form SB-2 (referenced in § 239.10) by revising Item 22 to Part I and adding Item 29 to Part II to read as follows:

**Note**—The text of Form SB-2 does not, and this amendment will not, appear in the Code of Federal Regulations.

Form SB-2

Registration Statement Under the Securities Act of 1933

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#### **Item 22. Financial Statements**

Furnish either: (a) the full financial statements required by Item 310 of Regulation S-B (§ 228.310 of this chapter); or (b) the abbreviated financial statements required by Item 305 of Regulation S-B (§ 228.305 of this chapter). The option to furnish abbreviated financial statements is available only to registrants satisfying the eligibility criteria in Item 305(a) of Regulation S-B.

#### **Instruction to Item 22**

Abbreviated financial statements meeting the requirements of Item 305 of Regulation S-B may be furnished with respect to businesses acquired or to be acquired, except that the information need only be provided for the periods specified by Item 310(c) of Regulation S-B. This option is available only if the business acquired or to be acquired satisfies the eligibility criteria in Item 305(a)(1) of Regulation S-B.

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Part II—Information Not Required in Prospectus

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#### **Item 29. Financial Statements**

If abbreviated financial statements are furnished pursuant to Item 22(b), furnish the full financial statements required by Item 310 of Regulation S-B and the independent accountant's report thereon.

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11. By amending Form S-1 (referenced in § 239.11) by revising Item 11(e), adding an Instruction to Item 11(e), removing the words "and Financial Statement Schedules" from the caption to Item 16, removing