

paragraph (a)(2) of this item, such information shall be furnished to the Commission.

(1) * * *

(2) Furnish the information required by paragraph (a)(1) above, *provided* that in lieu of financial statements included in such information, if the bidder satisfies the eligibility criteria in Item 305(a) of Regulation S-B (§ 228.305(a) of this chapter) or Item 305(a) of Regulation S-K (§ 229.305(a) of this chapter), abbreviated financial statements meeting the requirements of Item 305 of such regulation may be furnished.

* * * * *

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

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42. The authority for Part 249 continues to read, in part, as follows:

Authority: 15 U.S.C. 78a, *et seq.*, unless otherwise noted.

43. By amending Form 10-K (referenced in § 249.310) by deleting the second sentence in Item 8, and adding a sentence at the end of Note 1 to General Instruction G to read as follows:

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

Form 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

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General Instructions

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G. Information to be Incorporated by Reference.

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Note 1. * * * In addition, if abbreviated financial statements are included in the registrant's annual report that is incorporated by reference, then full financial statements meeting the requirements of Regulation S-X shall be filed under Item 8.

44. By amending Form 10-KSB (referenced in § 249.310b) by adding paragraph 2(c) to the General Instructions to read as follows:

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

Form 10-KSB

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General Instructions

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E. Information to be Incorporated by Reference.

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2. * * *

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(c) If abbreviated financial statements are included in the registrant's annual report that is incorporated by reference, then full financial statements meeting the

requirements of Regulation S-B shall be filed under Item 7.

By the Commission.

Dated: June 27, 1995.

Margaret H. McFarland,
Deputy Secretary.

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Note: The following appendices will not appear in the Code of Federal Regulations.

Appendix A—Summary of Common Footnote Disclosures That Would Be Omitted From Abbreviated Financial Statements

The proposed rules for abbreviated financial statements would omit footnote disclosure included in the full financial statements, except with respect to a limited number of specified matters. Those specified matters are discussed in the proposing release. The following is a summary of the major types of disclosures that would typically be omitted from abbreviated financial statements of commercial and industrial companies. It may be useful in evaluating the general extent to which the volume of footnote disclosures would be reduced. The listing is not intended to include every specific disclosure that would be omitted, nor is it intended to define what disclosures would be omitted under the proposed rules. The listing does not specifically address additional footnote disclosures that may be required in full financial statements of registrants in specialized industries. However, such disclosures would be omitted from the notes to the abbreviated financial statements unless their inclusion is required in response to a matter specified for disclosure under the proposed rules. Certain information regarding the financial statement captions listed below is required to be shown on the face of the full financial statements, and that information also is required on the face of the abbreviated financial statements.

Omitted Disclosures by Major Financial Statement Caption

Cash

Restrictions, compensating balances

Inventories

Amounts by major classes, LIFO information, long term contract terms and conditions, billed and unbilled amounts

Investment securities

Types, maturities, realized and unrealized gains or losses, sales and transfers

Loan impairment information

Depreciable assets

Amounts by major classes, depreciation expense, depreciable lives

Intangible assets

Amounts by major classes, amount and reasons for significant additions, deletions and writeoffs, amortization periods

Investments accounted for under the equity method

Nature of investment, percentage ownership, market value, summarized financial information of investee

Amount of assets subject to lien

Lease information

Operating leases

Amounts expensed, commitments, future minimum lease payments, contingent rentals, terms and effects of sale-leaseback transactions

Capital leases

Assets subject to capital lease, interest portion of obligation, future minimum lease payments

Long-term obligations

Terms, maturities, sinking fund requirements, security interests, covenants, nature and terms of extinguishments, terms and effects of troubled debt restructurings, capitalized interest amounts, rates used to discount certain liabilities

On-balance sheet and off-balance sheet financial instruments

Financial instruments

Terms and characteristics of both on-balance sheet and off-balance sheet financial instruments, notional or contract amounts, concentrations of credit risk, amount of possible accounting loss on off balance sheet instruments

Hedging activities

Nature of activities and offsetting amounts, risks

Derivatives

Nature, terms and objectives, characteristics by category, notional or contract amounts

Fair value disclosures

Pension, post-employment, and post-retirement benefit plan information

Description of plan, details of the expense, plan assets, plan benefit obligations, net asset or liability recognized, assumptions regarding weighted-average assumed discount rate, rate of compensation increase used to measure the projected benefit, weighted-average expected long-term rate of return on plan assets, and health care cost trend rate, nature and gain or loss on curtailment of settlement of plan

Income taxes

Components of tax expense, components of deferred tax assets/liabilities and any valuation allowance, reconciliation of the effective income tax rate, carryforward information, nature and amounts of deferred taxes not recognized due to special exceptions to SFAS 109

Redeemable preferred stock

Details of preferences, redemption terms and amounts

Stockholders equity

Details of preferences, redemption terms, conversion features, voting rights, restrictions on net assets or payments of dividends, details of sales of stock by subsidiaries

Stock options and warrants

Amounts granted, exercised, terminated and exercisable, changes in terms or exercise prices

Employee stock ownership plans (ESOPs)

Details of plan, compensation expense during the period, number of share allocated and committed to be released, fair value of unearned ESOP shares and the existence of any obligation to