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SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

SECURITIES ACT OF 1933
Release No. 5196

SECURITIES EXCHANGE ACT OF 1934
Release No. 9345

COORDINATION OF THE DISCLOSURE SYSTEM: THE DIVISION OF
CORPORATION FINANCE'S PRACTICE OF DEFERRING PROCESSING 1933
ACT REGISTRATION STATEMENTS FILED BY ISSUERS UNTIL THEY
COMPLY WITH THE REPORTING REQUIREMENTS OF THE SECURITIES
EXCHANGE ACT OF 1934

The Securities and Exchange Commission today reiterated the importance of complete and timely compliance with periodic reporting requirements by publicly held companies subject to the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934 as well as the requirements for reporting transactions by insiders in securities of companies registered under Section 12 of the Act. The failure by public companies to observe the periodic reporting requirements presents a serious obstacle to the maintenance of fair and informed trading markets in the securities of such companies. Moreover, the Commission has in recent months, through such steps as implementing most of the disclosure recommendations of the Disclosure Policy Study Report, attempted to improve 1934 Act disclosures to more nearly approximate that required under the Securities Act of 1933. One of the Commission's purposes was to provide through the 1934 Act reporting system a continuous updating of material information.

In this connection the Commission wishes to emphasize that the applicability of various rules and the availability of certain disclosure forms under the 1933 Act is predicated upon full compliance with the periodic reporting requirements. For example, the use of Form S-7 or S-16 for registration of certain public offerings of securities under the Securities Act of 1933 depends in part upon a company having filed timely reports pursuant to Section 13 of the 1934 Act for at least three fiscal years. Companies seeking to register securities on these forms should determine first that all 1934 Act reporting requirements have been satisfied. Also, companies registered pursuant to Section 12 of the 1934 Act

should take steps to assure that all insider reports required by Section 16(a) of the Act have been filed by those security holders required to make such filings. The Commission suggests that issuers set up internal procedures to assure that this has been done.

In order adequately to review registration statements filed under the Securities Act of 1933 by publicly held companies that are subject to the periodic reporting requirements of the Securities Exchange Act of 1934, the Commission's staff should have access to the information required to be reported periodically under the 1934 Act. Accordingly, the Commission's Division of Corporation Finance has adopted the practice whereby its staff will ordinarily defer processing registration statements and amendments filed under the Securities Act of 1933 by issuers whose reports are delinquent until such reports are brought up to date. Issuers filing 1933 Act statements with the Commission are requested to indicate in their transmittal letters whether all 1934 Act reports required to be filed have been filed and are complete. Any reports that are delinquent should be identified, and it should be stated when these reports will be filed.

The Commission believes that the Division's practice is in the interest of protection of investors and will enable its staff to reduce delays in processing filings by issuers who have observed the full and fair disclosure provisions of the federal securities laws while enabling it to deal more effectively with those who have not done so.

By the Commission.

Ronald F. Hunt
Secretary