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## Adoption of form 11-K and rule 15d-21 and amendments to form 10-K and regulation S-X

United States. Securities and Exchange Commission

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For RELEASE Monday, July 23, 1962

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.

SECURITIES ACT OF 1933

Release No. 4514

SECURITIES EXCHANGE ACT OF 1934

Release No. 6857

ACCOUNTING SERIES

Release No. 93

ADOPTION OF FORM 11-K AND RULE 15d-21 AND AMENDMENTS TO FORM 10-K  
AND REGULATION S-X

The Securities and Exchange Commission has adopted regulations governing the filing of annual reports pursuant to Section 15(d) of the Securities Exchange Act of 1934 relating to employee stock purchase, savings and similar plans. Proposed regulations relating to the filing of such reports were published for comment on June 13, 1961 (Securities Exchange Act Release 6576). As a result of further consideration of these proposals and the comments and suggestions received in regard thereto, certain changes have been made in the proposed regulations.

A new Form 11-K has been adopted for use in filing annual reports with respect to such plans. A new Rule 15d-21 has been adopted which provides that separate annual and other reports need not be filed with respect to any plan if the issuer of the stock or other securities offered to employees through their participation in the plan files annual reports on Form 10-K or U5S and furnishes to the Commission as a part of its annual report on such form the information, financial statements and exhibits required by Form 11-K and furnishes to the Commission copies of any annual report submitted to employees in regard to the plan. A new general instruction has been added to Form 10-K which specifies the procedure to be followed where an issuer elects to file information and documents pursuant to Rule 15d-21.

Regulation S-X, the Commission's accounting regulation, has been amended by adding thereto a new Article 6C which prescribes the form and content of financial statements filed for employee stock purchase, savings and similar plans. These new requirements are applicable to reports filed on the new Form 11-K.

Copies of the new Form 11-K may be obtained from the Commission upon request. The text of Rule 15d-21, the amendment to Form 10-K, and the amendments to Regulation S-X are set forth below.

I. The new Rule 15d-21 reads as follows:

Rule 15d-21. Reports for Employee Stock Purchase, Savings and Similar Plans.

(a) Separate annual and other reports need not be filed pursuant to Section 15(d) of the Act with respect to any employee stock purchase, savings or similar plan, provided--

(1) the issuer of the stock or other securities offered to employees through their participation in the plan files annual reports on Form 10-K or U5S;

(2) such issuer furnishes, as a part of its annual report on such form or as an amendment thereto, the information, financial statements and exhibits required by Form 11-K with respect to the plan; and

(3) such issuer furnishes to the Commission copies of any annual reports to employees in accordance with General Instruction D in Form 11-K.

(b) If the procedure permitted by this rule is followed, the information, financial statements and exhibits required by Form 11-K with respect to the plan shall be filed within 120 days after the end of the fiscal year of the plan, either as a part of or as an amendment to the annual report of the issuer for its last fiscal year, provided that if the fiscal year of the plan ends within 62 days prior to the end of the fiscal year of the issuer, such information, financial statements and exhibits may be furnished as a part of the issuer's next annual report.

II. The new General Instruction to Form 10-K reads as follows:

J. Information as to Employee Stock Purchase, Savings and Similar Plans.

Attention is directed to Rule 15d-21 which provides that separate annual and other reports need not be filed pursuant to Section 15(d) of the Act with respect to any employee stock purchase, savings or similar plan if the issuer of the stock or other securities offered to employees pursuant to the plan furnishes to the Commission the information and documents specified in the rule. If the registrant elects to follow the procedure permitted by Rule 15d-21, the information, financial statements and exhibits specified in paragraph (a)(2) of the rule shall be furnished on Form 11-K as an exhibit to the registrant's annual report. Such exhibit need not be signed.

III. Paragraph (a)(4) of Rule 1-01 of Regulation S-X has been amended to read as follows:

(a) This regulation (together with the Accounting Series Releases) states the requirements applicable to the form and content of all financial statements required to be filed as a part of--

.....

(4) Supplemental or periodic reports under Section 15(d) of the Securities Exchange Act of 1934 filed on Form 8-K, 10-K, 11-K, 2-MD, 4-MD or U5S;

IV. The new Article 6C of Regulation S-X reads as follows:

ARTICLE 6C. EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS

Rule 6-30. Application of Article 6C.

This article shall be applicable to financial statements filed for employee stock purchase, savings and similar plans.

Rule 6-31. Special Rules Applicable to Employee Stock Purchase, Savings and Similar Plans.

The financial statements filed for persons to which this article is applicable shall be prepared in accordance with the following special rules in addition to the general rules in Articles 1, 2, 3, and 4. Where the requirements of a special rule differ from those prescribed in a general rule, the requirements of the special rule shall be met.

1. Investment programs.-- If the participating employees have an option as to the manner in which their deposits and contributions may be invested, a description of each investment program shall be given in a footnote or otherwise. The number of employees under each investment program shall be stated.

2. Net asset value per unit.-- Where appropriate, the number of units and the net asset value per unit shall be given by footnote or otherwise.

3. Federal income taxes.-- (a) Appropriate provision shall be made, on the basis of the applicable tax laws, for Federal income taxes that it is reasonably believed are, or will become, payable in respect of (1) current net income, (2) realized net gain on investments, and (3) unrealized appreciation on investments. If the plan is not subject to Federal income taxes, a note shall so state indicating briefly the principal present assumptions on which the plan has relied in not making provision for such taxes.

(b) State the Federal income tax status of the employee with respect to the plan.

4. Valuation of assets.-- The statement of financial condition shall reflect all assets either (1) at value, showing cost parenthetically, or (2) at cost, showing value parenthetically.

Rule 6-32. Statements of Financial Condition.

Statements of financial condition filed under this rule shall comply with the following provisions:

PLAN ASSETS

1. Investments in securities of participating employers.-- State separately each class of securities of the participating employer or employers.

2. Investments in securities of unaffiliated issuers.

(a) United States Government bonds and other obligations.-- Include only direct obligations of the United States Government.

(b) Other securities.-- State separately (1) marketable securities and (2) other securities.

3. Investments--Other than securities.--State separately each major class.

4. Dividends and interest receivable.

5. Cash.

6. Other assets.-- State separately (a) total of amounts due from participating employers or any of their directors, officers and principal holders of equity securities; (b) total of amounts due from trustees or managers of the plan; and (c) any other significant amounts.

LIABILITIES AND PLAN EQUITY

7. Liabilities.-- State separately (a) total of amounts payable to participating employers; (b) total of amounts payable to participating employees; and (c) any other significant amounts.

8. Reserves and other credits.-- State separately each significant item and describe each such item by using an appropriate caption or by a footnote referred to in the caption.

9. Plan equity at close of period.

Rule 6-33. Statements of Income and Changes in Plan Equity.

Statements of income and changes in plan equity filed under this rule shall comply with the following provisions:

1. Net investment income

(a) Income.-- State separately income from (1) cash dividends; (2) interest; and (3) other sources. Income from investments in or indebtedness of participating employers shall be segregated under the appropriate subcaption.

(b) Expenses.-- State separately any significant amounts.

(c) Net investment income.

2. Realized gain or loss on investments.-- (a) State separately the net of gains or losses arising from transactions in (1) investments in securities of the participating employer or employers; (2) other investments in securities; and (3) other investments.

(b) State in a footnote or otherwise for each category of investment in paragraph (a) above the aggregate cost, the aggregate proceeds and the net gain or loss. State the principle followed in determining the cost of securities sold, e.g., "average cost" or "first-in, first-out."

3. Unrealized appreciation or depreciation of investments.-- (a) State the amount of increase or decrease in unrealized appreciation or depreciation of investments during the period.

(b) State in a footnote or otherwise the amount of unrealized appreciation or depreciation of investments at the beginning of the period of report, at the end of the period of report, and the increase or decrease during the period.

4. Contributions and deposits.-- (a) State separately (1) total of amounts deposited by participating employees, and (2) total of amounts contributed by the participating employer or employers.

(b) If employees of more than one employer participate in the plan, state in tabular form in a footnote or otherwise the amount contributed by each employer and the deposits of the employees of each such employer.

5. Withdrawals, lapses and forfeitures.-- State separately (a) balances of employees' accounts withdrawn, lapsed or forfeited during the period; (b) amounts disbursed in settlement of such accounts; and (c) disposition of balances remaining after settlement specified in (b).

6. Plan equity at beginning of period.

7. Plan equity at end of period.

Rule 6-34. What Schedules are to be Filed.

(a) Schedules I and II, specified below, shall be filed as of the date of each statement of financial condition filed. Schedule III shall be filed for each period for which a statement of income and changes in plan equity is filed. All schedules shall be certified if the related statements are certified.

(b) Reference to the schedules shall be made against the appropriate captions of the statements of financial condition and income and changes in plan equity.

Schedule I. Investments.-- A schedule substantially in the form prescribed by Rule 12-19 shall be filed in support of captions 1, 2 and 3 of each statement of financial condition unless substantially all of the information is given in the statement of financial condition by footnote or otherwise.

Schedule II. Allocation of plan assets and liabilities to investment program.-- If the plan provides for separate investment programs with separate funds, and if the allocation of assets and liabilities to the several funds is not shown in the statement of financial condition in columnar form or by the submission of separate statements for each fund, a schedule shall be submitted showing the allocation of each caption of each statement of financial condition filed to the applicable fund.

Schedule III. Allocation of plan income and changes in plan equity to investment programs.-- If the plan provides for separate investment programs with separate funds, and if the allocation of income and changes in plan equity to the several funds is not shown in the statement of income and changes in plan equity in columnar form or by the submission of separate statements for each fund, a schedule shall be submitted showing the allocation of each caption of each statement of income and changes in plan equity filed to the applicable fund.

\* \* \* \* \*

Form 11-K, Rule 15d-21 and the amendment to Form 10-K were adopted pursuant to the Securities Exchange Act of 1934, particularly Section 13, 15(d) and 23(a) thereof. The amendments to Regulation S-X were adopted pursuant to such authority and also pursuant to the Securities Act of 1933, particularly Sections 6, 7, 10 and 19(a) thereof.

The foregoing action shall become effective August 24, 1962.

By the Commission.

Orval L. DuBois  
Secretary