

**MEMO# 11365**

November 1, 1999

## **SEC REVISES DISCLOSURE REQUIREMENTS FOR FOREIGN PRIVATE ISSUERS**

1 SEC Rel. Nos. 33-7745; 34-41936; Int. Ser. Rel. No. 1205 (Oct. 5, 1999). A copy of the adopting release is attached, and is available on the Commission's web site at [www.sec.gov/rules/final/34-41936.htm](http://www.sec.gov/rules/final/34-41936.htm). IOSCO's report, "International Disclosure Standards for CrossBorder Offerings and Initial Listings by Foreign Issuers" (Sept. 1998), is available on IOSCO's web site at [www.iosco.org/docs-public/1998-intnl\\_disclosure\\_standards.html](http://www.iosco.org/docs-public/1998-intnl_disclosure_standards.html). 2 See memorandum to International Committee No. 15-99 and SEC Rules Committee No. 26-99 (April 9, 1999). [11365] November 1, 1999 TO: INTERNATIONAL COMMITTEE No. 44-99 SEC RULES COMMITTEE No. 87-99 RE: SEC REVISES DISCLOSURE REQUIREMENTS FOR FOREIGN PRIVATE ISSUERS

The Securities and Exchange Commission recently adopted revised disclosure requirements for foreign private issuers that conform to the international disclosure standards endorsed by the International Organization of Securities Commissions (IOSCO) last year.<sup>1</sup> The new disclosure standards replace most of the non-financial statement disclosure requirements of Form 20-F, the basic disclosure document for foreign private issuers, and revise the definition of "foreign private issuer" under the Securities Act of 1933 and the Exchange Act of 1934. The new disclosure requirements become effective on September 30, 2000. The Institute commented on the proposal earlier this year, supporting the general approach embodied in the Commission's proposed changes to the disclosure standards for foreign private issuers.<sup>2</sup> In its comment letter, the Institute stated that these changes would facilitate cross-border investment without jeopardizing investor protection or changing the quality of the disclosure that US investors currently receive from foreign private issuers. The adopting release notes that comment letters from the organization representing users of issuer information, such as the Institute, were particularly supportive of the proposal for this reason. The Institute also expressed support for the IOSCO standards, noting that they do not take a "lowest common denominator" approach but instead seek to ensure a high level of investor protection and urged the Commission to work with IOSCO to secure adoption and implementation of the international disclosure standards by all IOSCO members. In this regard, the adopting release restates the Commission's goal of promoting regulatory harmonization at a high level of disclosure and notes progress in such countries as the UK, Argentina, Italy, and Mexico. The release further states that the delayed effective date will allow time to confirm that there is international support for the IOSCO standards.

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