

**MEMO# 13304**

March 23, 2001

## **ICI DRAFT LETTER ON SEC PROPOSAL TO REQUIRE DISCLOSURE OF EQUITY COMPENSATION PLANS IN PROXY STATEMENTS AND FORM 10-K REPORTS**

[13304] March 23, 2001 TO: SEC RULES COMMITTEE No. 30-01 RE: ICI DRAFT LETTER ON SEC PROPOSAL TO REQUIRE DISCLOSURE OF EQUITY COMPENSATION PLANS IN PROXY STATEMENTS AND FORM 10-K REPORTS As we previously informed you,<sup>1</sup> the Securities and Exchange Commission has proposed amendments to the disclosure requirements under the Securities Exchange Act of 1934 to require a registrant to disclose in its proxy statement and annual report filed on Form 10-K certain information related to each of its equity compensation plans, regardless of whether such plans are subject to shareholder approval. Attached is a draft of the Institute's comment letter on the proposal. The comment period for the Commission's proposal ends Monday, April 2, 2001. Please submit any comments that you may have on the draft letter to Barry Simmons by telephone at (202) 326-5923, by facsimile at (202) 326-5827, or by e-mail at [bsimmons@ici.org](mailto:bsimmons@ici.org), by Wednesday, March 28, 2001. The Institute's draft letter supports the Commission's proposal to require registrants to disclose to shareholders material information about each of its equity compensation plans. The letter agrees that the proxy statement and annual report filed on Form 10-K are appropriate locations, but notes that it would be equally appropriate to disclose this information in a registrant's annual report to shareholders. The letter argues that this not only would provide a more centralized, readily available location, but also would provide timely information consistent with the registrant's annual reporting period. Barry E. Simmons Associate Counsel Attachment Attachment (in .pdf format) 1 See Memorandum to SEC Rules Committee No. 17-01, dated February 14, 2001.