**SEC Compliance Checklist— General**

December 2022

SEC COMPLIANCE CHECKLIST — GENERAL

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| Company: |  | Period: | |  |
| Prepared By: |  | Date: |  | |
| Reviewed By: |  | Date: |  | |

**CHECKLIST APPLICATION**

If this SEC compliance checklist is being used for Annual Report Form 10-K issuance, an online version is now available as part of Deloitte’s *Checklist* application. Please ask your Deloitte engagement team to send you the online version.

INSTRUCTIONS

Completion of this *SEC Compliance Checklist — General* assists in documenting compliance with Securities and Exchange Commission (SEC or the “Commission”) disclosure and filing requirements.

Note: This checklist is not designed for use by “Smaller Reporting Companies” or “Emerging Growth Companies.” See the *Smaller Reporting Companies* and *Emerging Growth Companies* in the [ADDITIONAL CONSIDERATIONS](#Additional_considerations) section below for additional guidance.

Following this instruction page is a list of Regulation S-X and S-K requirements primarily pertaining to commercial and industrial companies, which are applicable to all SEC forms. Other entities (e.g., bank and savings and loan registrants, insurance registrants, and oil and gas producing registrants) need to follow the requirements of the articles in Regulation S-X that apply specifically to them. The separate checklist applicable to a SEC form being filed (e.g., Forms 10-K, 10-Q, 8-K) should also be used in addition to this general checklist. This checklist covers the SEC disclosure and filing requirements of greatest interest to registrants. It should not be used as a substitute for a full understanding of the filing requirements applicable to a specific registrant.

Consider each requirement, answer “Yes” or “No” in the “Complied With” column, and then indicate where the information is disclosed or the reason it is omitted (e.g., “not applicable,” “test not met”) in the column provided or in a separate memorandum.

If separate financial statements (e.g., for an acquisition of a business) are filed in addition to consolidated financial statements of the registrant, the applicable sections of the checklist should be separately completed for each set of financial statements furnished.

INTERPRETIVE GUIDANCE

This checklist should not be considered “all inclusive” but should be used in conjunction with the instructions to the SEC form being filed, and the applicable sections of Regulations S-K and S-X. Selected SEC rules, regulations are generally on the SEC website, [www.sec.gov](http://www.sec.gov/).

Additional interpretive information relating to SEC reporting and disclosure may be obtained from the Securities and Exchange Commission Division of Corporation Finance’s [*Financial Reporting Manual*](http://www.sec.gov/divisions/corpfin/cffinancialreportingmanual.shtml).

Additional SEC interpretive material can be found using the various links on the *Accounting and Financial Reporting Guidance* page located on the [SEC website](http://www.sec.gov/divisions/corpfin/cfreportingguidance.shtml).

Furthermore, this checklist includes hyperlink to documents found in on DART. Subscription might be needed to access some of the links to DART.

Recent Final Rules and Effective Dates

***Disclosure of Pay Versus Performance***

The SEC has issued a [final rule](https://www.sec.gov/rules/final/2022/34-95607.pdf), “Pay Versus Performance,” that requires certain registrants to provide disclosures about executive pay and company performance within any proxy statement or information statement for which executive compensation disclosures are required. The final rule implements a mandate under the Dodd-Frank Act that requires a registrant to disclose the relationship between executive compensation actually paid and the financial performance of the registrant.

The disclosure requirements are effective for registrants beginning with fiscal years ending on or after December 16, 2022, and apply to all registrants other than emerging growth companies (EGCs), registered investment companies, and foreign private issuers. Smaller reporting companies (SRCs) are exempt from certain of the requirements.

Refer to Deloitte’s September 2, 2022 [*Heads Up*](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2022/sec-issues-pay-vs-performance).

***Listing Standards for Recovery of Erroneously Awarded Compensation***

The SEC has issued a [final rule](https://www.sec.gov/rules/final/2022/33-11126.pdf) aimed at ensuring that executive officers do not receive “excess compensation” if the financial results on which previous awards of compensation were based are subsequently restated because of material noncompliance with financial reporting requirements. The final rule implements the mandate in Section 954 of the Dodd-Frank Act, and requires issuers to adopt a written policy to “claw back” excess compensation for the three fiscal years before the determination of a restatement regardless of whether an executive officer had any involvement in the restatement. The final rule also requires an issuer to disclose its recovery policy in an exhibit to its annual report.

This rule applies to all registrants including EGCs, SRCs, registered investment companies, and foreign private issuers and is effective on January 27, 2023. Given the time frame within which companies must implement the mandatory compensation recovery policy, we expect that companies will need to have a compliant recovery policy in place by the end of 2023 or early 2024.

Refer to Deloitte’s November 14, 2022 [*Heads Up*](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2022/sec-rule-clawback).

Refer to the [New SEC Rules, Reports, and Studies](https://dart.deloitte.com/USDART/home/accounting/sec/new-sec-rules-reports-studies) section within the Deloitte Accounting Research Tool for a comprehensive list of historical rules finalized by the SEC.

Additional Considerations

Non-GAAP Financial Measures and Metric Considerations

As reflected in its filing reviews and comment letters, speeches, and updated C&DIs, the SEC is continuing to urge registrants to take a fresh look at their use and disclosure of non-GAAP measures and metrics, including periodic reports such as Forms 10-K and 10-Q and earnings releases. The Deloitte’s [*Non-GAAP Financial Measures and Metrics*](https://dart.deloitte.com/USDART/home/publications/roadmap/non-gaap-financial-measures?id=us:2em:3na:rmnongaap:eng:aud:120321:fra) Roadmap is a helpful resource for companies to consider when considering the guidance around non-GAAP financial measures. For Covid-related non-GAAP financial measures refer to Deloitte’s [Financial Reporting Alert 20-4](https://www.iasplus.com/en/publications/us/financial-reporting-alerts/2020/20-4) for more information.

On December 13, 2022, the SEC updated its Compliance & Disclosure Interpretations (C&DIs) on Non-GAAP financial measures. The updated C&DIs are found on the SEC’s [web site](https://www.sec.gov/corpfin/non-gaap-financial-measures). The updated C&DIs are not reflected in Deloitte’s [*Non-GAAP Financial Measures and Metrics*](https://techlib.deloitte.com/default.aspx?view=content&id=2_352910) Roadmap referred to above.

Environmental, Social, and Governance (ESG) Disclosures

***SEC Publishes Sample Comments on Climate-Change Disclosures***

While the SEC considers rulemaking, it is also looking at compliance with disclosure requirements under the current rules. In September 2021, the SEC’s Division of Corporation Finance (DCF) released a [sample letter](https://www.sec.gov/corpfin/sample-letter-climate-change-disclosures) containing examples of comments that the DCF would consider issuing to public companies on climate-related disclosures currently included in their filings. The sample comments focus on the extent to which public companies are disclosing information in a manner consistent with the SEC’s [2010 interpretive release](https://www.sec.gov/rules/interp/2010/33-9106.pdf) on climate disclosures. In addition, the letter indicates that the DCF may review information disclosed outside a company’s SEC filings (e.g., ESG and sustainability reports) and ask a company whether it should also include the associated information in its SEC filings. The SEC shared the sample comments with the public to provide context for and insights into the increased attention and focus on climate-related disclosures. For more information about the SEC’s sample comment letter, see Deloitte’s September 27, 2021 [*Heads Up*](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2021/sec-comments-climate-change-disclosures).

COVID-19

Entities must carefully consider their unique circumstances and risk exposures when analyzing how recent events may affect their financial reporting. Specifically, financial reporting and related financial statement disclosures need to convey all material current or potential effects of COVID-19. It is also critical that management understand the risks that entities are dealing with and how such risks may affect them. SEC registrants must also consider the need to disclose information in other areas of an SEC filing, such as MD&A or risk factors, in addition to the footnotes to their financial statements.

Consider the SEC’s Division of Corporation Finance Disclosure Guidance Topic No. [9](https://www.sec.gov/corpfin/coronavirus-covid-19) and [9A](https://www.sec.gov/corpfin/covid-19-disclosure-considerations) on some critical questions to consider. Refer to Deloitte’s [Financial Reporting Alert 20-2](https://dart.deloitte.com/USDART/home/publications/deloitte/financial-reporting-alerts/2020/financial-reporting-considerations-economic-downturn-covid-19) and [Financial Reporting Alert 20-5](https://dart.deloitte.com/USDART/home/publications/deloitte/financial-reporting-alerts/2020/covid-financial-reporting-trends-sep-20).

Russia-Ukraine War

The geopolitical situation in Eastern Europe is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption. Because of its broader impact on these macroeconomic conditions, many companies globally may need to consider the war’s effect on certain accounting and financial reporting matters, including:

* Interruptions or stoppage of production in affected areas and neighboring countries.
* Damage or loss of inventories and other assets.
* Closure of roads and facilities in affected areas.
* Supply-chain and travel disruptions in Eastern Europe.
* Volatility in commodity prices and currencies.
* Disruption in banking systems and capital markets.
* Reductions in sales and earnings of business in affected areas.
* Increased costs and expenditures.
* Cyberattacks.

Consider the SEC’s Division of Corporation Finance [*Sample Letter to Companies Regarding Disclosures Pertaining to Russia’s Invasion of Ukraine and Related Supply Chain Issues*](https://www.sec.gov/corpfin/sample-letter-companies-pertaining-to-ukraine) on critical questions to consider*.* Refer to our [Financial Reporting Alert 22-1](https://dart.deloitte.com/USDART/home/publications/deloitte/financial-reporting-alerts/2022/russia-ukraine-war), *Financial Reporting Considerations Arising From the Russia-Ukraine War*.

Smaller Reporting Companies (SRCs)

The SEC allows SRCs to use the scaled (generally reduced) disclosure and reporting requirements.

SRCs may be eligible to apply Regulation S-K’s and Regulation S-X’s scaled disclosure requirements in certain registration statement forms and periodic reports. SRCs may choose, on an item-by-item basis within any filing, whether to apply scaled disclosure requirements or its more rigorous disclosure requirements for larger public companies. Nevertheless, the SEC has stressed the importance of consistent disclosures that allow investors to make period-over-period comparisons, whether quarterly or annually.

In determining whether a company is eligible for treatment as an SRC, company management should consult their legal counsel.

See the table below for a summary of the revenue and public float eligibility requirements for an entity to qualify as an SRC.

|  |  |  |  |
| --- | --- | --- | --- |
| **Status** | **Public Float** | **Annual Revenues** | **SOX Section 404(b)** |
| SRC and nonaccelerated filer | Less than $75 million | No limit | No |
| $75 million to less than $700 million | Less than $100 million | No |
| SRC and accelerated filer | $75 million to less than $250 million | $100 million or more | Yes |

The following table shows the differences in an SRC compared to a non-SRC.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Form Item** | | | | **Form 10-K instructions** | | | **Disclosure requirement** | **Scaling for SRCs** |
| **Part I** | | | | | | | | | | |
| Item 1 | | | | Business | | | S-K Item 101 | Scaled |
| Item 1A | | | | Risk factors | | | S-K Item 105 | Not required |
| Item 1B | | | | Unresolved staff comments | | | Material unresolved SEC staff comment letters received more than 180 days before the fiscal year end | Required if SRC is accelerated filer |
| **Part II** | | | | | | | | | | |
| Item 5 | | | Market for registrant’s common equity and related stockholder matters | | | S-K Item 201 | | Same as non-SRC except stock performance graph in Item 201(e) | |
| Item 7 | | | Management’s discussion and analysis | | | S-K Item 303 | | Scaled | |
| Item 7A | | | Quantitative and qualitative disclosures about market risk | | | S-K Item 305 | | Not required | |
| Item 8 | | | Financial statements  Supplementary financial information | | | S-X Rules 3-01 through 3-04  S-X Articles 4 and 5  S-X Article 7 if the registrant is an insurance company or Article 9 if it’s a bank holding company  S-K Item 302 | | Scaled in Article 8 of Regulation S-X  Not required | |
| Item 9A | | Controls and procedures | | | S-K Items 307 and 308 | | | An SRC is required to include an audit report on its ICFR only if it is also an accelerated filer | | |
| Item 10 | | Directors, executive officers and corporate governance | | | S-K Items 401, 405, 406 and 407(c)(3), (d)(4) and (d)(5) | | | Scaled corporate governance disclosures under Item 407 | | |
| Item 11 | | Executive compensation | | | S-K Items 402 and 407(e)(4) and (e)(5) | | | Scaled executive compensation disclosures under Item 402 | | |
| Item 13 | | Certain relationships and related transactions, and director independence | | | S-K Items 407(a) and 404(c)  S-K Items 404(a) and (d)  S-K Item 404(b) | | | Same as non-SRCs  Expanded for SRCs  Not required | | |
| **Part IV** | | | | | | | | | | |
| Item 15 | Exhibits  Financial statement schedules | | | | | S-K Item 601 Exhibits S-X  Article 12 Financial Statement Schedules | | Same as non-SRCs  Not required | |
| Item 16 | Form 10-K summary | | | | | Optional | | Optional | |

**NOTE: THIS CHECKLIST IS NOT SPECIFICALLY DESIGNED FOR USE BY SMALLER REPORTING COMPANIES.**

Emerging Growth Companies (EGCs)

The JOBS Act created the concept of an EGC, a new type of issuer whose less stringent regulatory and reporting requirements are intended to encourage public offerings by small and developing companies.

Title I of the JOBS Act outlines the requirements for EGC status under the SEC’s reporting framework. Under the JOBS Act, for a company to be considered an EGC, its total gross revenues cannot exceed $1.235[[1]](#footnote-2) billion in its most recently completed fiscal year. EGC status can be held for up to a maximum of five years after an initial public offering (IPO) as long as (1) the EGC’s total gross revenues do not exceed $1.235[1](#note_1) billion during the five-year period, (2) the EGC’s market capitalization does not exceed $700 million (i.e., the EGC does not meet the definition of a large accelerated filer), or (3) the EGC does not issue more than $1 billion in nonconvertible debt in a three-year period.

Provisions of the JOBS Act that apply to EGCs include the following:

* Need only two years of audited financial statements in an IPO of common equity.[[2]](#footnote-3)
* May omit financial information (including audited financial statements) from an IPO of common equity registration statement submitted confidentially if that financial information is related to periods that are not reasonably expected to be required at the time the registration statement becomes effective.
* May elect not to adopt new or revised accounting standards until they become effective for private companies (i.e., nonissuers).
* Are eligible for reduced executive compensation disclosures.

Certain sections in the checklist below have been annotated to reflect the modified reporting requirements affecting EGCs under Title I of the JOBS Act. Registrants should refer to Section 1.6 of Deloitte’s [*Initial Public Offerings*](https://dart.deloitte.com/USDART/home/publications/deloitte/additional-deloitte-guidance/roadmap-initial-public-offerings/chapter-1-introduction-initial-public-offerings/1-6-emerging-growth-companies)Roadmap summarizing key reporting considerations for EGCs.

**NOTE: THIS CHECKLIST IS NOT SPECIFICALLY DESIGNED FOR USE BY EGCs OR COMPANIES TAKING ADVANTAGE OF THE NONPUBLIC REVIEW PROCESS FOR DRAFT IPOS AND INITIAL REGISTRATION STATEMENTS AVAILABLE TO ALL COMPANIES.**

Abbreviations Used

|  |  |
| --- | --- |
| ASC | FASB Accounting Standards Codification |
| ASR | Accounting Series Release |
| FRR | Financial Reporting Release or Codified Section |
| GAAP | United States Generally Accepted Accounting Principles |
| IASB | International Accounting Standards Board |
| IFRS | International Financial Reporting Standards |
| PCAOB | Public Company Accounting Oversight Board |
| S-K | Regulation S-K |
| S-X | Regulation S-X |
| SAB | Staff Accounting Bulletin |

Index of Regulation S-X and Regulation S-K Topics

|  |  |  |
| --- | --- | --- |
| **PART I.** | **REGULATION S-X** | **Article** |
|  | [Application of Regulation S-X](#_ARTICLE_1._APPLICATION) | 11 |
|  | [General Instructions as to Financial Statements](#_ARTICLE_3._GENERAL) | 13 |
|  | [Consolidated and Combined Financial Statements](#_ARTICLE_3A._CONSOLIDATED) | 3A |
|  | [Rules of General Application](#article_4) | 14 |
|  | [Commercial and Industrial Companies](#_ARTICLE_5._COMMERCIAL) | 15 |
|  | [Financial Statements of Smaller Reporting Companies](#Article8) | 8 |
|  | [Interim Financial Statements](#Article10) | 10 |
|  | [Pro Forma Financial Information](#Article11ProForma) | 11 |
| **PART II.** | **REGULATION S-K —** Financial Related Disclosures Only | **Item** |
|  | [Description of](#item_101) Business | 101 |
|  | [Risk Factors](#Item_105) | 105 |
|  | [Market Price of and Dividends on the Registrant’s Common Equity and Related Stockholder Matters —Securities authorized for issuance under equity compensation p](#item_201)lans | 201 |
|  | [Supplementary Financial Information](#item_302) | 302 |
|  | [Selected Quarterly Financial Data](#_Item_302(a)—Selected_Quarterly) | 302(a) |
|  | [Oil and Gas Producing Activities](#_Item_302(b)—Information_About) | 302(b) |
|  | [Management’s Discussion and An](#item_303)alysis | 303 |
|  | [Changes in and Disagreements with Accountants](#_Item_304—Changes_in) | 304 |
|  | [Quantitative and Qualitative Disclosure About Market Risk](#_Item_305—Quantitative_and) | 305 |
|  | [Controls and Procedures](#_Item_307—Disclosure_controls) | 307 |
|  | [Internal Control over Financial Reporting](#Item308) | 308 |
|  | [Executive Compensation](#item402_exec_comp) | 402 |
|  | [Exhibits](#_Item_601._) | 601 |
|  | [Purchases of Equity Securities by the Issuer and Affiliated Purchasers](#item702) | 703 |
|  | [Industry Guides](#items801_and_802) | 801 and 802 |
|  | Roll-Up Transactions | 900[[3]](#footnote-4) |
|  | Mergers and Acquisitions (Regulation M-A) | 10002 |
|  | Asset Backed Securities (Regulation AB) | 11002 |
|  | Oil and Gas Producing Activities | 12002 |
|  | Disclosure by Registrants Engaged in Mining Operations | 13002 |
|  | Disclosure by Bank and Savings and Loan Registrants | 14002 |
|  | NOTE: Plain English Rule — See SEC Staff Legal Bulletin 7 regarding requirements for companies filing registration statements under the Securities Act of 1933 to use “Plain English” in the forefront of these filings (Rule 421(d)). In addition, amended Rule 421(b) requires that other sections of the registration statement be written in a clear, understandable manner. |  |

|  | | **Complied With** | |  | | | **Where Disclosed or Reason Omitted** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| PART I. REGULATION S-X | |  | |  | | |  | |
| ARTICLE 1. APPLICATION OF REGULATION S-X | |  | |  | | |  | |
| **Rule 1-01 — Financial statements** filed as a part of a registration statement, annual or periodic report, proxy statement (including an annual report to shareholders furnished therewith), etc., under the Securities Act of 1933 (the “Securities Act”), Securities Exchange Act of 1934 (the “Exchange Act”), the Investment Company Act of 1940 (except as specifically provided), and Public Utility Holding Company Act of 1935 are to comply as to form and content as set forth in S-X. “Financial statement” is defined to include all notes to the statements and all related schedules. | |  | |  | | |  | |
| **Rule 1-02 — Various terms used in S-X are defined in this rule.** A full understanding of all defined terms is necessary for the proper application of S-X. See Rule 1-02 for definition of various terms. | |  | |  | | |  | |
| ARTICLE 3. GENERAL INSTRUCTIONS AS TO FINANCIAL STATEMENTS | |  | |  | | |  | |
| **Rule 3-01 — Consolidated balance sheets.** | |  | |  | | |  | |
| 1. File audited consolidated balance sheets as of the end of each of the two most recent fiscal years.   NOTE: If the registrant has been in existence for less than one fiscal year, an audited balance sheet as of a date within 135 days of the date of filing the registration statement should be filed. | |  | |  | | |  | |
| 1. If the filing (other than on Form 10-K or Form 10) is made within 45 days after the end of the year, and audited statements for the latest year are not available, the balance sheets may be as of the end of each of the two preceding years. An additional interim balance sheet at least as current as the end of the third quarter of the latest completed fiscal year is also required. | |  | |  | | |  | |
| 1. The instruction in paragraph (b) of this section is also applicable to filings, other than on Form 10-K or Form 10, made after 45 days but within the number of days of the end of the registrant's fiscal year specified in paragraph (i) of this section, *provided* that the following conditions are met: 2. The registrant files annual, quarterly and other reports pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 and all reports due have been filed. 3. For the most recent fiscal year for which audited financial statements are not yet available, the registrant reasonably and in good faith expects to report income attributable to the registrant after taxes. 4. For at least one of the two fiscal years immediately preceding the most recent fiscal year, the registrant reported income attributable to the registrant after taxes. | |  | |  | | |  | |
| 1. If the conditions set forth in paragraph (c) are not met, the filing must include the audited balance sheets called for in paragraph (a) above. | |  | |  | | |  | |
| 1. For filings made after the number of days specified in paragraph (i)(2) below, the filing must also include a balance sheet at an interim date within the following number of days of the date of the filing: 2. 130 days for accelerated and large accelerated filers 3. 135 days for all other registrants. | |  | |  | | |  | |
| **Definitions:**  *Accelerated filer.* The term *accelerated filer* means an issuer after it first meets the following conditions as of the end of its fiscal year:  (i) The issuer had an aggregate worldwide market value of the voting and nonvoting common equity held by its nonaffiliates of $75 million or more, but less than $700 million, as of the last business day of the issuer’s most recently completed second fiscal quarter  (ii) The issuer has been subject to the requirements of section 13(a) or 15(d) of the Exchange Act (15 U.S.C. 78m or 78o(d)) for a period of at least 12 calendar months  (iii) The issuer has filed at least one annual report pursuant to section 13(a) or 15(d) of the Exchange Act  (iv) The issuer is not 3-13 eligible to use the requirements for smaller reporting companies in Regulation S-K for its annual and quarterly reports.  *Large accelerated filer*. The term *large accelerated filer* means an issuer after it first meets the following conditions as of the end of its fiscal year:  (i) The issuer had an aggregate worldwide market value of the voting and nonvoting common equity held by its nonaffiliates of $700 million or more, as of the last business day of the issuer’s most recently completed second fiscal quarter  (ii) The issuer has been subject to the requirements of section 13(a) or 15(d) of the Exchange Act for a period of at least 12 calendar months  (iii) The issuer has filed at least one annual report pursuant to section 13(a) or 15(d) of the Exchange Act  (iv) The issuer is not eligible to use the requirements for smaller reporting companies in Regulation S-K for its annual and quarterly reports.  Note: The aggregate worldwide market value of the issuer’s outstanding voting and nonvoting common equity shall be computed by use of the price at which the common equity was last sold, or the average of the bid and asked prices of such common equity, in the principal market for such common equity. An “accelerated filer” and “large accelerated filer” to exclude any issuer with both annual revenues of less than $100 million and public float of less than $700 million. | |  | |  | | |  | |
| 1. Any interim balance sheet may be unaudited and need not be presented in greater detail than is required by S-X Rule 10-01 (see *Checklist for Quarterly Report on Form 10-Q*). The latest interim balance sheet must be at least as current as the most recent balance sheet filed on Form 10-Q. | |  | |  | | |  | |
| 1. Registered management investment companies, see S-X Rule 3-18 in lieu of this section. | |  | |  | | |  | |
| 1. Foreign private issuers, other than a registered management investment company or an employee plan, may file statements required by Item 8A of Form 20-F in lieu of the financial statements specified in this rule.  [Note: SEC Release 33-8879 footnote 136 states that foreign private issuers that file financial statements prepared in accordance with IFRS as issued by the IASB will comply with IASB requirements for form and content within the financial statements, rather than with the specific presentation and disclosure provisions in Articles 4, 5, 6, 7, 9, and 10 of Regulation S-X.   Note that under Rules 3-05, 3-09, 3-10, 3-14, and 3-16 of Regulation S-X, the company also may have to provide financial statements or financial information for entities other than the issuer. In some cases, the company may have to provide financial statements for a predecessor. See the definition of “predecessor” in Exchange Act Rule 12b-2 and Securities Act Rule 405. See additional guidance under Topic 2 of the SEC Financial Reporting Manual relating to financial statements or financial information under Rule 3-05, 3-09, 3-10, and 3-14 of Regulation S-X for entities other than the issuer. | |  | |  | | |  | |
| 1. (1) For purposes of paragraph c. and d. of this section, the number of days shall be:   (a) 60 days for large accelerated filers  (b) 75 days for accelerated filers  (c) 90 days for all other registrants.  (2) For purposes of paragraph e. of this section, the number of days shall be:  (a) 129 days subsequent to the end of the registrant’s most recent fiscal year for accelerated and large accelerated filers;  (b) 134 days subsequent to the end of the registrant’s most recent fiscal year for all other registrants. | |  | |  | | |  | |
| **Rule 3-02 — Consolidated statements of comprehensive income and cash flows.** | |  | |  | | |  | |
| 1. File audited consolidated statements of comprehensive income and cash flows for the registrant and its consolidated subsidiaries and for its predecessors for each of the three fiscal years preceding the date of the latest audited balance sheet presented or for such shorter period as the registrant (including predecessors) has been in existence.   [Note: EGCs are required to present two years of audited financial statements in its IPO registration statement of common equity. SRCs are only required two years of audited financial statements in IPOs and annual reporting.]  See sections 1.7 and 2.4.3 of Deloitte’s [Initial Public Offerings](https://dart.deloitte.com/USDART/pdf/e316fec1-b29b-11e8-93d3-f398aa9dc17b) Roadmap for special accommodations for IPOs and SPACs, respectively. | |  | |  | | |  | |
| 1. Also, for any interim period (between the latest audited balance sheet and the most recent interim balance sheet and for the corresponding period of the preceding fiscal year) statements of comprehensive income and cash flows are required.   Interim statements may be unaudited and need not be presented in greater detail than is required by S-X Rule 10-01 (see *Checklist for Quarterly Report on Form 10-Q*). | |  | |  | | |  | |
| 1. Registered management investment companies see S-X Rule 3-18 in lieu of this section. | |  | |  | | |  | |
| 1. Foreign private issuers, other than a registered management investment company or an employee plan, may file the financial statements required by Item 8.A of Form 20-F in lieu of the requirements of this section. | |  | |  | | |  | |
| **Rule 3-03 — Instructions to statement of comprehensive income requirements.** | |  | |  | | |  | |
| 1. The statements required shall be prepared in compliance with Regulation S-X. | |  | |  | | |  | |
| Note: The statement of comprehensive income may be presented either in a single continuous financial statement or in two separate but consecutive financial statements. In a single continuous statement, the entity is required to present the components of net income and total net income, the components of other comprehensive income, and a total for other comprehensive income, along with the total of comprehensive income in that statement. In the two-statement approach, an entity is required to present components of net income and total net income in the statement of net income. The statement of other comprehensive income should immediately follow the statement of net income and include the components of other comprehensive income and a total for other comprehensive income, along with a total for comprehensive income. A statement(s) of operations or variations thereof may be used in place of a statement(s) of comprehensive income if there was no other comprehensive income during the period(s). See **Rule 5-03** — **Statements of comprehensive income** below.   1. **Utilities** — If the registrant is engaged primarily in the electric, gas, water, telephone, or telegraph businesses or in holding securities of companies engaged in such businesses, it may include unaudited statements of comprehensive income and cash flows for the latest 12-month period in lieu of interim statements. | |  | |  | | |  | |
| 1. **Reconciliation to prior statements of comprehensive income** — If statements of comprehensive income include operations of a business prior to the date of acquisition, or for other reasons differ from previous reports, the statements must be reconciled as to sales and net income, either in the statement or a note. No reconciliations are required if they have been made in prior SEC filings or the statements have not previously been filed with the SEC or made public. | |  | |  | | |  | |
| 1. **Interim statements — normal adjustments** — Any unaudited interim financial statements furnished should reflect all adjustments that are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. A statement to that effect should be included. If all such adjustments are of a normal recurring nature, a statement to that effect should be made; otherwise, information should be provided describing in appropriate detail the nature and amount of any adjustments other than normal recurring adjustments entering into the determination of the results shown. | |  | |  | | |  | |
| **Rule 3-04 — Changes in stockholders' equity and noncontrolling interests** — An analysis of the changes in each caption of stockholders’ equity and noncontrolling interests presented in the balance sheets shall be given in a note or separate statement. This analysis shall be presented in the form of a reconciliation of the beginning balance to the ending balance for each period for which a statement of comprehensive income is required to be filed with all significant reconciling items described by appropriate captions with contributions from and distribution to owners shown separately. | |  | |  | | |  | |
| Also, state separately the adjustments to the balance at the beginning of the earliest period presented for items which were retroactively applied to periods prior to that period. With respect to any dividends, state the amount per share and in the aggregate for each class of shares. | |  | |  | | |  | |
| Provide a separate schedule in the notes to the financial statements that shows the effects of any changes in the registrant's ownership interest in a subsidiary on the equity attributable to the registrant. | |  | |  | | |  | |
| **Separate Financial Statements Required by Regulation S-X** | |  | |  | | |  | |
| See Rules 3-05, 3-09, 3-10, 3-14, and 3-16. See SEC staff interpretations of various Regulation S-X Rules relating to separate financial statements, summarized financial statement requirements, and disclosure in SAB Topic 6-K. Refer to Deloitte’s [*SEC Reporting Considerations for Business Acquisitions*](https://dart.deloitte.com/USDART/home/publications/roadmap/business-combinations-sec-reporting)Roadmap, for the SEC’s guidance on reporting for business acquisitions — including acquisitions of real estate operations and pro forma financial information  See FRR Section 213, *Separate Financial Statements*.  In registration statements in which investors may rely on a provider of an interest coverage agreement, a collateral value guarantee, or other credit assurance, audited financial statements of the provider may be required. Unaudited summarized financial information may be sufficient in some circumstances. | |  | |  | | |  | |
| See SAB Topic 1-I concerning financial statements of properties securing mortgage loans. | |  | |  | | |  | |
| **Rule 3-05 — Financial statements of businesses acquired or to be acquired.** | |  | |  | | |  | |
| **a. Financial statements required**  (1) Financial statements of businesses acquired or to be acquired must be filed for the periods stated in section (b) below if:  (i) During the most recent fiscal year or subsequent interim period for which a balance sheet is required by S-X Rule 3-01, a business acquisition has occurred (this encompasses the acquisition of an interest in a business accounted for by the equity method). | |  | |  | | |  | |
| (ii) After the most recent balance sheet filed pursuant to S-X Rule 3-01, consummation of a business acquisition has occurred or is probable. | |  | |  | | |  | |
| (2) To determine whether Rule 3-05 applies, the determination of whether a “business” has been acquired should be made. See S-X Rule 11-01(d). | |  | |  | | |  | |
| (3) Acquisitions of a group of related businesses that are probable or that have occurred during the most recent fiscal year or subsequent interim period for which audited financial statements of the registrant have been filed should be treated as if they are a single business acquisition. | |  | |  | | |  | |
| (i) The required financial statements of related businesses may be presented on a combined basis for any periods that are under common control or management. | |  | |  | | |  | |
| (ii) Businesses should be deemed to be related if (a) they are under common control or management, (b) the acquisition of one business is conditional on the acquisition of each other business, or (c) each acquisition is conditioned on a single common event. | |  | |  | | |  | |
| (4) This section does not apply to a real estate operation subject to S-X Rule 3-14 or a business which is totally held by the registrant prior to consummation of the transaction. | |  | |  | | |  | |
| b. **Periods to be presented** | |  | |  | | |  | |
| 1. If registering an offering of securities to be offered to the security holders of the business to be acquired, then, the financial statements specified in S-X Rules 3-01 and 3-02 must be filed for the business to be acquired (except as otherwise provided for in filings on Form N-14, S-4, or F-4). Refer to Proxy and S-4 requirements in Financial Reporting Manual section 1140 and 2200. | |  | |  | | |  | |
| Note: The financial statements covering fiscal years must be audited except as provided in Item 14 of Schedule 14A (§240.14a-101 of this chapter) with respect to certain proxy statements or in registration statements filed on Forms N-14, S-4 or F-4. | |  | |  | | |  | |
| (2) In all cases not described in (b)(1), financial statements of the business acquired or to be acquired must be filed for the periods set forth below, or such shorter period as the business has been in existence.  The periods for which such financial statements are to be filed are based on the significant subsidiary tests. | |  | |  | | |  | |
| (i) If none of the conditions exceed 20%, financial statements are not required. | |  | |  | | |  | |
| (ii) If any of the conditions exceed 20% but none exceed 40%, financial statements must be filed for at least the most recent fiscal year and the most recent interim period specified in Rule 3-01 and Rule 3-02. | |  | |  | | |  | |
| (iii) If any of the conditions exceed 40%, financial statements must be filed for at least the two most recent fiscal years and any interim periods specified in Rules 3-01 and 3-02. | |  | |  | | |  | |
| (iv) If the aggregate impact of businesses acquired or to be acquired since the date of the most recent audited balance sheet filed for the registrant, for which financial statements are either not required by paragraph (b)(2)(i) of this section or are not yet required based on paragraph (b)(4)(i) of this section, exceeds 50 percent for any condition, the registrant must provide the disclosure specified in paragraphs (b)(2)(iv)(A) and (B) of this section, however in determining the aggregate impact of the investment test condition also include the aggregate impact calculated in accordance with Rule 3-14(b)(2)(ii) of any acquired or to be acquired real estate operations specified in Rule 3-14(b)(2)(i)(C). In determining whether the income test condition (*i.e.* both the revenue component and the income or loss from continuing operations component) exceeds 50 percent, the businesses specified in this paragraph (b)(2)(iv) reporting losses must be aggregated separately from those reporting income. If either group exceeds 50 percent, paragraphs (b)(2)(iv)(A) and (B) of this section will apply to all of the businesses specified in this paragraph (b)(2)(iv) and will not be limited to either the businesses with losses or those with income. | |  | |  | | |  | |
| (A) Pro forma financial information pursuant to Rule 11-01 through Rule 11-02 that depicts the aggregate impact of these acquired or to be acquired businesses and real estate operations, in all material respects; and | |  | |  | | |  | |
| (B) Financial statements covering at least the most recent fiscal year and the most recent interim period specified in Rule 3-01 and Rule 3-02 for any acquired or to be acquired business or real estate operation for which financial statements are not yet required based on Rule 3-14(b)(3)(i). | |  | |  | | |  | |
| (3) The determination must be made using Rule 11-01(b)(3) and (b)(4). | |  | |  | | |  | |
| (4) Financial statements required for the periods specified in section (b)(2) above may be omitted to the extent specified as follows: | |  | |  | | |  | |
| (i) Registration statements not subject to the provisions of § 230.419 of this chapter and proxy statements need not include separate financial statements of an acquired or to be acquired business if neither the business nor the aggregate impact specified in paragraph (b)(2)(iv) of this section exceeds any of the conditions of significance in the definition of significant subsidiary in Rule 1-02 at the 50 percent level computed in accordance with paragraph (b)(3) of this section, and either: | |  | |  | | |  | |
| (A) The consummation of the acquisition has not yet occurred; | |  | |  | | |  | |
| (B) The date of the final prospectus or prospectus supplement relating to an offering as filed with the Commission pursuant to § 230.424(b) of this chapter, or mailing date in the case of a proxy statement, is no more than 74 days after consummation of the business acquisition, and the financial statements have not previously been filed by the registrant. | |  | |  | | |  | |
| This rule does not apply to “blank check/SPAC” issuers or transactions. Refer to Deloitte’s [Accounting and SEC Reporting Considerations for SPAC Transactions](https://dart.deloitte.com/USDART/home/publications/deloitte/financial-reporting-alerts/2020/spac-transactions) financial reporting alert for more details. | |  | |  | | |  | |
| (ii) An issuer (other than a foreign private issuer required to file reports on Form 6-K) that omits from its initial registration statement financial statements of a recently consummated business combination pursuant to paragraph (b)(4)(i) above must file those financial statements and any pro forma information specified by Article 11 under cover of Form 8-K no later than 75 days after consummation of the acquisition. | |  | |  | | |  | |
| (iii) Separate financial statements of the acquired business specified in paragraph (b)(2)(ii) of this section need not be presented once the operating results of the acquired business have been reflected in the audited consolidated statements of the registrant for at least nine months. Separate financial statements of the acquired business specified in paragraph (b)(2)(iii) need not be presented once the operating results of the acquired business have been reflected in the audited consolidated statements of the registrant for a complete fiscal year. | |  | |  | | |  | |
| (iv) A separate audited balance sheet of the acquired business is not required when the registrant’s most recent audited balance sheet required by Rule 3-01 is for a date after the date the acquisition was consummated. | |  | |  | | |  | |
| c. **Financial Statements of Foreign Acquiree** | |  | |  | | |  | |
| Financial statements of an acquired or to be acquired foreign business (as defined in Rule 1-02(*l*)) meeting the requirements of Item 17 of Form 20-F will satisfy this section. Such financial statements may be reconciled to U.S. Generally Accepted Accounting Principles (U.S. GAAP) or International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS-IASB) if the registrant is a foreign private issuer that prepares its financial statements in accordance with IFRS-IASB. This reconciliation must generally follow the form and content *Adoption of International Financial Reporting Standards*, may be applied.  See section 2.11 of Deloitte’s [*SEC Reporting Considerations for Business Acquisitions*](https://dart.deloitte.com/USDART/pdf/401b96f2-838c-11e8-85b9-7172a0502bbd)Roadmap. | |  | |  | | |  | |
| The requirements of S-X Rule 3-05 apply only to acquisitions made by the registrant or its predecessor(s). Financial statements of businesses recently acquired by the acquiree need not be filed unless their omission would render the acquiree’s financial statements misleading or substantially incomplete. | |  | |  | | |  | |
| **d. Financial Statements of an Acquired or to be Acquired Business that Would be a Foreign Private Issued if it Were a Registrant** | |  | |  | | |  | |
| Financial statements of an acquired or to be acquired business that is not a foreign business (as defined in Rule 1-02(l)), but would qualify as a foreign private issuer (as defined in §§ 230.405 and 240.3b-4 of this chapter) if it were a registrant may be prepared in accordance with IFRS-IASB without reconciliation to U.S. GAAP or, if the registrant is a foreign private issuer that prepares its financial statements in accordance with IFRS-IASB, may be prepared according to a comprehensive basis of accounting principles other than U.S. GAAP or IFRS-IASB and must be reconciled to IFRS-IASB or to U.S. GAAP. This reconciliation must generally follow the form and content requirements in Item 17(c) of Form 20-F; however, accommodations in Item 17(c)(2) of Form 20-F that would be inconsistent with IFRS-IASB may not be applied, and IFRS 1, *First-time Adoption of International Financial Reporting Standards,* may be applied. | |  | |  | | |  | |
| See also the following: | |  | |  | | |  | |
| * SAB Topic 2 regarding business combinations | |  | |  | | |  | |
| * SAB Topic 1-A regarding financial statements of target companies | |  | |  | | |  | |
| * SAB Topic 1-B (SAB 55) — **Allocation of expenses and related disclosures in subsidiaries’ financial statements.** Historical income statements of subsidiaries (and divisions or lesser business components) when presented separately should reflect all costs of doing business, including those incurred on their behalf by the parent. | |  | |  | | |  | |
| 1. **Financial Statements for Net Assets That Constitute a Business** | |  | |  | | |  | |
| For an acquisition of net assets that constitutes a business (*e.g.,* an acquired or to be acquired product line), the financial statements prepared and audited in accordance with Regulation S-X may be abbreviated financial statements prepared in accordance with paragraph (e)(2) of this section if the business meets all of the qualifying conditions in paragraph (e)(1) of this section. | |  | |  | | |  | |
| 1. Qualifying conditions | |  | |  | | |  | |
| (i) The total assets and total revenues (both after intercompany eliminations) of the acquired or to be acquired business constitute 20 percent or less of such corresponding amounts of the seller and its subsidiaries consolidated as of and for the most recently completed fiscal year. | |  | |  | | |  | |
| (ii) Separate financial statements for the business have not previously been prepared; | |  | |  | | |  | |
| (iii) The acquired business was not a separate entity, subsidiary, operating segment (as defined in U.S. GAAP or IFRS-IASB, as applicable) or division during the periods for which the acquired business financial statements would be required; and | |  | |  | | |  | |
| (iv) The seller has not maintained the distinct and separate accounts necessary to present financial statements that, absent this paragraph (e), would satisfy the requirements of this section and it is impracticable to prepare such financial statements. | |  | |  | | |  | |
| 1. Presentation requirements | |  | |  | | |  | |
| (i) The balance sheet may be a statement of assets acquired and liabilities assumed; | |  | |  | | |  | |
| (ii) The statement of comprehensive income must include expenses incurred by or on behalf of the acquired business during the pre-acquisition financial statement periods to be presented including, but not limited to, costs of sales or services, selling, distribution, marketing, general and administrative, depreciation and amortization, and research and development, but may otherwise omit corporate overhead expense, interest expense for debt that will not be assumed by the registrant or its subsidiaries consolidated, and income tax expense. The title of the statement of comprehensive income must be appropriately modified to indicate it omits certain expenses; and | |  | |  | | |  | |
| (iii) The notes to the financial statements must include: | |  | |  | | |  | |
| (A) A description of the type of omitted expenses and the reason(s) why they are excluded from the financial statements. | |  | |  | | |  | |
| (B) An explanation of the impracticability of preparing financial statements that include the omitted expenses. | |  | |  | | |  | |
| (C) A description of how the financial statements presented are not indicative of the financial condition or results of operations of the acquired business going forward because of the omitted expenses. | |  | |  | | |  | |
| (D) Information about the business's operating, investing and financing cash flows, to the extent available. | |  | |  | | |  | |
| 1. **Financial statements of a business that includes oil and gas producing activities.**   (1) Disclosures about oil and gas producing activities must be provided for each full year of operations presented for an acquired or to be acquired business that includes significant oil- and gas-producing activities (as defined in the FASB ASC Master Glossary). The financial statements may present the disclosures in FASB ASC Topic 932,*Extractive Activities — Oil and Gas,* 932-235-50-3 through 50-11 and 932-235-50-29 through 50-36 as unaudited supplemental information. If prior year reserve studies were not made, they may be computed using only production and new discovery quantities and valuation, in which case there will be no “revision of prior estimates” amounts. Registrants may develop these disclosures based on a reserve study for the most recent year, computing the changes backward. The method of computation must be disclosed in a footnote. | |  | |  | | |  | |
| (2) The financial statements prepared and audited in accordance with Regulation S-X may consist of only statements of revenues and expenses that exclude expenses not comparable to the proposed future operations such as depreciation, depletion and amortization, corporate overhead, income taxes, and interest for debt that will not be assumed by the registrant or its subsidiaries consolidated if: | |  | |  | |  | | |
| (i) The acquisition generates substantially all of its revenues from *oil and gas producing activities* (as defined in § 210.4-10(a)(16)); and | |  | |  | |  | | |
| (ii) The qualifying conditions specified in paragraph (e)(1) of this section are met. | |  | |  | |  | | |
| **Rule 3-06 — Financial statements covering a period of 9 to 12 months —** (Not applicable to registered investment companies.) | |  | |  | | |  | |
| The filing of financial statements covering a period of nine to 12 months satisfies a requirement for financial statements for a period of one year if: | |  | |  | | |  | |
| 1. The issuer changed its fiscal year (see Change in Fiscal Years below). | |  | |  | | |  | |
| 1. The issuer made a significant business acquisition for which financial statements are required under S-X Rule 3-05 and the financial statements covering the interim period pertain to the business being acquired. | |  | |  | | |  | |
| 1. The SEC so permits under S-X Rule 3-13 or 8-01(e). | |  | |  | | |  | |
| If there is a requirement to file financial statements for a time period exceeding one year but not exceeding three consecutive years, the financial statements for one of those years may cover a period of only nine to 12 months if the conditions described in paragraph (a), (b), or (c), above, exist and the other financial statements filed cover the full fiscal year(s) for all other years in the time period. | |  | |  | | |  | |
| Change in Fiscal Years | |  | |  | | |  | |
| Exchange Act Rules 13a-10 and 15d-10 and FRR Section 102.05.  **Transition reports.** A “transition period” is the short period that results from a change in fiscal year and “transition reports” are SEC filings covering such transition periods. Note: Form 8-K, Item 5.03, requirements and Financial Reporting Manual 1360. | |  | |  | | |  | |
| **Rule 3-09 — Separate financial statements of subsidiaries not consolidated and 50%-or-less-owned persons.** | |  | |  | | |  | |
| 1. Separate financial statements of majority owned unconsolidated subsidiaries (“subsidiary”) must be filed if any of the conditions of the significant subsidiary test in Regulation S-X, Rule 1-02(w) (the “Significant Subsidiary Test”), substituting 20% for 10% in the test, is met. Similarly, separate financial statements of 50%-or-less-owned persons accounted for by the equity method (“investee”) must be filed if either the investment test or income test of the Significant Subsidiary Test (the “Investment Test” and “Income Test,” respectively), substituting 20% for 10% in the test, is met.   (Note: The SEC staff would not object if an EGC presents two years of separate financial statements for a subsidiary or investee in its initial registration statement when under Rule 3-09 it would be required to present three years of separate financial statements for such a subsidiary or investee.) Refer to *[SEC Reporting Considerations for Equity Method Investees](https://dart.deloitte.com/USDART/home/publications/roadmap/equity-method-investees-sec-reporting)* for more details. | |  | |  | | |  | |
| 1. Insofar as practicable, the separate financial statements shall be as of the same dates and for the same periods as the audited consolidated financial statements required by Rules 3-01 and 3-02. However, these separate financial statements are required to be audited only for those fiscal years in which the Investment Test or Income Test, substituting 20% for 10% in the test, is met. For purposes of a filing on Form 10-K:   (1) If the registrant is an accelerated filer, but the 50%-or-less owned person is not an accelerated filer, the required financial statements may be filed as an amendment to the report within 90 days, or within six months if the 50%-or-less owned person is a foreign business, after the end of the registrant’s fiscal year. | |  | |  | | |  | |
| (2) If the fiscal year of any 50%-or-less owned person ends within the registrant’s number of filing days (see definition below) before the date of the filing, or if the fiscal year ends after the date of the filing, the required financial statements may be filed as an amendment to the report within the subsidiary’s number of filing days, or within six months if the 50%-or-less owned person is a foreign business, after the end of such subsidiary’s or person’s fiscal year.  (3) The term registrant’s number of filing days means:  (a) 60 days for large accelerated filers  (b) 75 days for accelerated filers  (c) 90 days for all other registrants.  (4) The term subsidiary’s number of filing days means:  (a) 60 days if the 50%-or-less owned person is a large accelerated filer  (b) 75 days if the 50%-or-less owned person is an accelerated filer  (c) 90 days for all other 50%-or-less owned persons. | |  | |  | | |  | |
| 1. Notwithstanding the requirements for separate statements in paragraph (a) above, if financial statements of two or more subsidiaries are required, combined or consolidated statements of such subsidiaries may be filed subject to principles of inclusion and exclusion that clearly exhibit the financial position, cash flows, and results of operations of the combined or consolidated group. Also, if financial statements of two or more investees are required, combined or consolidated statements of such investees may be filed subject to the same principles of inclusion or exclusion referred to above. | |  | |  | | |  | |
| 1. If the 50 percent or less owned person is a foreign business, financial statements of the business that meet the requirements of Item 17 of Form 20-F will satisfy this section. | |  | |  | | |  | |
| **Rule 3-10 — Financial statements of guarantors and issuers of guaranteed securities registered or being registered.** | |  | |  | | |  | |
| a. If an issuer or guarantor of a guaranteed security that is registered or being registered is required to file financial statements required by Regulation S-X with respect to the guarantee or guaranteed security, such financial statements may be omitted if the issuer or guarantor is a consolidated subsidiary of the parent company, the parent company’s consolidated financial statements have been filed, and the following conditions have been met:  (1) The guaranteed security is debt or debt-like; and | |  | |  | | |  | |
| (i) The parent company issues the security or co-issues the security, jointly and severally, with one or more of its consolidated subsidiaries; or | |  | |  | | |  | |
| (ii) A consolidated subsidiary issues the security or co-issues the security with one or more other consolidated subsidiaries of the parent company, and the security is guaranteed fully and unconditionally by the parent company; and | |  | |  | | |  | |
| (2) The parent company provides the disclosures specified in Rule 13-01. | |  | |  | | |  | |
| b. For the purposes of a. and Rule 13-01:  (1) The “parent company” is the entity that: | |  | |  | | |  | |
| (i) Is an issuer or guarantor of the guaranteed security; | |  | |  | | |  | |
| (ii) Is, or as a result of the subject Securities Act registration statement will be, an Exchange Act reporting company; and | |  | |  | | |  | |
| (iii) Consolidates each subsidiary issuer and/or subsidiary guarantor of the guaranteed security in its consolidated financial statements; | |  | |  | | |  | |
| (2) A security is “debt or debt-like” if it has the following characteristics: | |  | |  | | |  | |
| (i) The issuer has a contractual obligation to pay a fixed sum at a fixed time; and | |  | |  | | |  | |
| (ii) Where the obligation to make such payments is cumulative, a set amount of interest must be paid. | |  | |  | | |  | |
| *Note 1 to paragraph (b)(2)*. Neither the form of the security nor its title will determine whether a security is debt or debt-like. Instead, the substance of the obligation created by the security will be determinative.  *Note 2 to paragraph (b)(2)*. The phrase “set amount of interest” is not intended to mean “fixed amount of interest.” Floating and adjustable rate securities, as well as indexed securities, may meet the criteria specified in paragraph (b)(2)(ii) of this section as long as the payment obligation is set in the debt instrument and can be determined from objective indices or other factors that are outside the discretion of the obligor. | |  | |  | | |  | |
| (3) A guarantee is “full and unconditional,” if, when an issuer of a guaranteed security has failed to make a scheduled payment, the guarantor is obligated to make the scheduled payment immediately and, if it does not, any holder of the guaranteed security may immediately bring suit directly against the guarantor for payment of all amounts due and payable. | |  | |  | | |  | |
| Refer to Article 13 below for required disclosures when an issuer or guarantor of a guaranteed security that is registered or being registered is required to file financial statements pursuant to Regulation S-X with respect to the guarantee or guaranteed security, and such financial statements are omitted based on the criteria above. | |  | |  | | |  | |
| **Rule 3-11 — Financial statements of an inactive registrant.** | |  | |  | | |  | |
| For an inactive entity, the statements required for Exchange Act filings may be unaudited. | |  | |  | | |  | |
| **Rule 3-12 — Age of financial statements at effective date of registration statement or at mailing date of proxy statement.** | |  | |  | | |  | |
| 1. If the financial statements in a filing are as of a date the number of days specified in paragraph (g) of this section or more prior to the date the filing is expected to become effective or proposed mailing date in the case of a proxy statement, the financial statements should be updated, except as specified in the following paragraphs, with a balance sheet as of an interim date within the number of days specified in paragraph (g) of this section and with statements of comprehensive income and cash flows for the interim period between the end of the most recent fiscal year and the date of the interim balance sheet provided and for the corresponding period of the preceding fiscal year. Such interim financial statements may be unaudited and need not be presented in greater detail than is required by S-X Rule 10-01 — see *Checklist for Quarterly Report on Form 10-Q*. However, the latest interim statements must be at least as current as the most recent statements filed on Form 10-Q. [See S-X Rule 3-01.] | |  | |  | | |  | |
| 1. Where the anticipated effective date of a filing, or in the case of a proxy statement the proposed mailing date, falls within the number of days subsequent to the end of the fiscal year specified in paragraph (g) of this section, the filing need not include financial statements more current than as of the end of the third fiscal quarter of the most recently completed fiscal year unless the audited financial statements for such fiscal year are available or unless the anticipated effective date or proposed mailing date falls after 45 days subsequent to the end of the fiscal year and the registrant does not meet the conditions prescribed under Regulation S-X, Rule 3-01(c). If the anticipated effective date or proposed mailing date falls after 45 days subsequent to the end of the fiscal year and the registrant does not meet the conditions in Regulation S-X, Rule 3-01(c), the filing must include audited financial statements for the most recently completed fiscal year. | |  | |  | | |  | |
| 1. If a filing is made near the end of a year and audited statements for that year are not included, the filing must be updated with audited statements if they become available before the expected effective date, or proposed mailing date of a proxy. | |  | |  | | |  | |
| 1. The most recent audited financial statements included in a Securities Act registration statement or in a Form 10 registration statement may not be more than one year and 45 days old when the registration becomes effective if the issuer was not subject, immediately prior to the time of filing the registration statements, to the Exchange Act reporting requirements. | |  | |  | | |  | |
| 1. Registered management investment companies, see S-X Rule 3-18 in lieu of this section. | |  | |  | | |  | |
| 1. Any foreign private issuer may file financial statements whose age is specified in Item 8.A of Form 20-F. Financial statements of a foreign business that are furnished pursuant to S-X Rule 3-05 or 3-09 because it is an acquired business or 50 percent-or-less-owned person may be of the age specified in Item 8.A of Form 20-F. | |  | |  | | |  | |
| 1. (1) For purposes of paragraph (a) of this section, the number of days shall be:   (a) 130 days for large accelerated filers  (b) 135 days for all other registrants.  (2) For purposes of paragraph (b) of this section, the number of days shall be:  (a) 60 days for large accelerated filers  (b) 75 days for accelerated filers  (c) 90 days for all other registrants. | |  | |  | | |  | |
| Rule 3-13 — Filing of other financial statements in certain cases. | |  | |  | | |  | |
| Upon written request, the SEC may permit the omission of one or more financial statements required, or the filing of other appropriate statements. The SEC may require the filing of other statements in addition to, or in lieu of, the statements required in any case in which such statements are needed for an adequate presentation, or for the protection of investors. | |  | |  | | |  | |
| Rule 3-14 — Special instructions for real estate operations to be acquired. | |  | |  | | |  | |
| If, during the period for which statements of comprehensive income are required, the registrant has acquired one or more properties that in total are significant or, since the date of the latest balance sheet required, has acquired or proposes to acquire one or more properties that in total are significant, furnish with respect to such properties information as required under this rule. Refer to Chapter 3, “Real Estate Operations Acquired or to be Acquired” of Deloitte’s [*SEC Reporting Considerations for Business Acquisitions*](https://dart.deloitte.com/USDART/pdf/401b96f2-838c-11e8-85b9-7172a0502bbd)Roadmap. | |  | |  | | |  | |
| Rule 3-15 — Special provision as to real estate investment trusts. | |  | |  | | |  | |
| 1. [Reserved] | |  | |  | | |  | |
| 1. [Reserved] | |  | |  | | |  | |
| 1. The tax status of distributions per unit shall be stated (e.g., ordinary income, capital gain, return of capital). | |  | |  | | |  | |
| Rule 3-16 — Financial statements of affiliates whose securities collateralize an issue registered or being registered. | |  | |  | | |  | |
| The requirements of this section shall apply to each registered security issued and outstanding before January 4, 2021, unless the requirements of Rule 13-02 apply.   1. For each of the registrant's affiliates whose securities constitute a substantial portion of the collateral for any class of securities registered or being registered, there shall be filed the financial statements that would be required if the affiliate were a registrant and required to file financial statements. However, financial statements need not be filed pursuant to this section for any person whose statements are otherwise separately included in the filing on an individual basis or on a basis consolidated with its subsidiaries. | |  | |  | | |  | |
| 1. For the purposes of this section, securities of a person shall be deemed to constitute a substantial portion of collateral if the aggregate principal amount, par value, or book value of the securities as carried by the registrant, or the market value of such securities, whichever is the greatest, equals 20 percent or more of the principal amount of the secured class of securities. | |  | |  | | |  | |
| **Rule 3-17 — Financial statements of natural persons**. | |  | |  | | |  | |
| 1. In lieu of the financial statements otherwise required, a natural person may file an unaudited balance sheet as of a date within 90 days of date of filing and unaudited statements of comprehensive income for each of the three most recent fiscal years. | |  | |  | | |  | |
| 1. Financial statements conforming with the instructions as to financial statements of subsidiaries not consolidated and 50 percent or less owned persons under §210.3-09 (a) shall be separately presented for: (1) each business owned as a sole proprietor, (2) each partnership, business trust, unincorporated association, or similar business organization of which the person holds a controlling interest and (3) each corporation of which the person, directly or indirectly, owns securities representing more than 50 percent of the voting power. | |  | |  | | |  | |
| 1. Separate financial statements may be omitted, however, for each corporation, business trust, unincorporated association, or similar business organization if the person’s total investment in such entity does not exceed 5% of his total assets *and* the person’s total income from such entity does not exceed 5% of his gross income; *provided*, that the person’s aggregate investment in and income from all such omitted entities shall not exceed 15% of his total assets and gross income, respectively. | |  | |  | | |  | |
| **Rule 3-18 — Special provisions as to registered management investment companies and companies required to be registered as management investment companies**. | |  | |  | | |  | |
| 1. For filings by registered management investment companies, the following financial statements shall be filed:   (1) An audited balance sheet or statement of assets and liabilities as of the end of the most recent fiscal year.  (2) An audited statement of operations for the most recent fiscal year conforming to the requirements of S-X Rule 6-07.  (3) An audited statement of cash flows for the most recent fiscal year, if necessary to comply with GAAP. [Further references in this rule to the requirement for such statement are likewise applicable only to the extent that they are consistent with the requirements of GAAP.]  (4) Audited statements of changes in net assets conforming to the requirements of S-X Rule 6-09 for the two most recent fiscal years. | |  | |  | | |  | |
| 1. If the filing is made within 60 days after the end of the registrant’s fiscal year and audited financial statements for the most recent fiscal year are not available, the balance sheet or statement of assets and liabilities may be as of the end of the preceding fiscal year and the filing shall include an additional balance sheet or statement of assets and liabilities as of an interim date within 245 days of the date of filing. In addition, the statements of operations and cash flows (if required by GAAP) shall be provided for the preceding fiscal year and the statement of changes in net assets shall be provided for the two preceding fiscal years and each of the statements shall be provided for the interim period between the end of the preceding fiscal year and the date of the most recent balance sheet or statement of assets and liabilities being filed. Financial statements for the corresponding period of the preceding fiscal year need not be provided. | |  | |  | | |  | |
| c. If the most current balance sheet or statement of assets and liabilities in a filing is as of a date 245 days or more prior to the date the filing is expected to become effective, the financial statements shall be updated with a balance sheet or statement of assets and liabilities as of an interim date within 245 days. In addition, the statements of operations, cash flows, and changes in net assets shall be provided for the interim period between the end of the most recent fiscal year for which a balance sheet or statement of assets and liabilities is presented and the date of the most recent interim balance sheet or statement of assets and liabilities filed. | |  | |  | | |  | |
| d. Interim financial statements provided in accordance with these requirements may be unaudited but shall be presented in the same detail as required by S-X Rule 6-01 to 6-11. When unaudited financial statements are presented in a registration statement, they shall include the statement required by S-X Rule 3-03(d). | |  | |  | | |  | |
| **Rule 3-20 — Currency for financial statements of foreign private issuers**. | |  | |  | | |  | |
| a.  (1) A foreign private issuer, as defined in §230.405 of this chapter, shall state amounts in its primary financial statements in the currency which it deems appropriate.  (2) An issuer that is not a foreign private issuer shall present its financial statements in U.S. dollars. | |  | |  | | |  | |
| b.  (1) The currency in which amounts in the financial statements are stated shall be disclosed prominently on the face of the financial statements. If dividends on publicly-held equity securities will be declared in a currency other than the reporting currency, a note to the financial statements shall identify that currency. If there are material exchange restrictions or controls relating to the issuer’s reporting currency, the currency of the issuer’s domicile, or the currency in which the issuer will pay dividends, prominent disclosure of this fact shall be made in the financial statements. If the reporting currency is not the U.S. dollar, dollar-equivalent financial statements or convenience translations shall not be presented, except a translation may be presented of the most recent fiscal year and any subsequent interim period presented using the exchange rate as of the most recent balance sheet included in the filing, except that a rate as of the most recent practicable date shall be used if materially different. | |  | |  | | |  | |
| (2) If there are material exchange restrictions or controls relating to the currency of a subsidiary’s domicile, the currency held by a subsidiary, or the currency in which a subsidiary will pay dividends or transfer funds to the issuer or other subsidiaries, prominent disclosure of this fact shall be made in the financial statements. | |  | |  | | |  | |
| c. If the financial statements of a foreign private issuer are stated in a currency of a country that has experienced cumulative inflationary effects exceeding a total of 100 percent over the most recent three-year period, and have not been recast or otherwise supplemented to include information on a historical cost/constant currency or current cost basis prescribed or permitted by appropriate authoritative standards, the issuer shall present supplementary information to quantify the effects of changing prices upon its financial position and results of operations. | |  | |  | | |  | |
| d. Notwithstanding the currency used for reporting purposes, the issuer shall measure separately its own transactions, and those of each of its material operations (e.g., branches, divisions, subsidiaries, joint ventures, and similar entities) that is included in the issuer’s consolidated financial statements and not located in a hyperinflationary environment, using the particular currency of the primary economic environment in which the issuer or the operation conducts its business. Assets and liabilities so determined shall be translated into the reporting currency at the exchange rate at the balance-sheet date; all revenues, expenses, gains, and losses shall be translated at the exchange rate existing at the time of the transaction or, if appropriate, a weighted average of the exchange rates during the period; and all translation effects of exchange rate changes shall be included as a separate component (“cumulative translation adjustment”) of shareholders’ equity. For purposes of this paragraph, the currency of an operation’s primary economic environment is normally the currency in which cash is primarily generated and expended; a hyperinflationary environment is one that has cumulative inflation of approximately 100% or more over the most recent three-year period. Departures from the methodology presented in this paragraph shall be quantified pursuant to Items 17(c)(2) of Form 20-F (§249.220f of this chapter). | |  | |  | | |  | |
| e. The issuer shall state its primary financial statements in the same currency for all periods for which financial information is presented. If the financial statements are stated in a currency that is different from that used in financial statements previously filed with the Commission, the issuer shall recast its financial statements as if the newly adopted currency had been used since at least the earliest period presented in the filing. The decision to change and the reason for the change in the reporting currency shall be disclosed in a note to the financial statements in the period in which the change occurs. | |  | |  | | |  | |
| ARTICLE 3A. CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS | |  | |  | | |  | |
| **Rule 3A-01 - [Removed and Reserved]** | |  | |  | | |  | |
| **Rule 3A-02 — Consolidated financial statements of registrant and its subsidiaries.** | |  | |  | | |  | |
| In deciding upon consolidation policy, the registrant must consider what financial presentation is most meaningful in the circumstances and should follow in the consolidated financial statements principles of inclusion or exclusion which will clearly exhibit the financial position and results of operations of the registrant. There is a presumption that consolidated financial statements are more meaningful than separate financial statements and that they are usually necessary for a fair presentation when one entity directly or indirectly has a controlling financial interest in another entity. Other particular facts and circumstances may require combined financial statements, an equity method of accounting, or valuation allowances in order to achieve a fair presentation. | |  | |  | | |  | |
| 1. **Majority ownership:** Among the factors that the registrant should consider in determining the most meaningful presentation is majority ownership. Generally, registrants shall consolidate entities that are majority-owned and shall not consolidate entities that are not majority-owned. The determination of “majority ownership” requires a careful analysis of the facts and circumstances. In rare situations, consolidation of a majority owned subsidiary may not result in a fair presentation, because the registrant, in substance, does not have a controlling financial interest (for example, when the subsidiary is in legal reorganization or in bankruptcy). In other situations, consolidation of an entity, notwithstanding the lack of technical majority ownership, is necessary to present fairly the financial position and results of operations of the registrant, because of the existence of a parent-subsidiary relationship by means other than record ownership of voting stock.   Consistent with Deloitte’s [*Consolidation – Identifying a Controlling Financial Interest*](https://dart.deloitte.com/USDART/home/publications/roadmap/consolidation)Roadmap, the ultimate determination of if an entity should be consolidated should be made based on the guidance in ASC 810. | |  | |  | | |  | |
| Rule 3A-03 — Statement as to principles of consolidation or combination followed. | |  | |  | | |  | |
| 1. [Reserved] | |  | |  | | |  | |
| 1. As to each consolidated financial statement and as to each combined financial statement, if there has been a change in the persons included or excluded in the corresponding statement for the preceding fiscal period filed with the Commission that has a material effect on the financial statements, the persons included and the persons excluded shall be disclosed. | |  | |  | | |  | |
| ARTICLE 4. RULES OF GENERAL APPLICATION | |  | |  | | |  | |
| **Rule 4-01 — Form, order, and terminology.**   1. Financial statements should be filed in such form and order, and should use such generally accepted terminology, as will best indicate their significance and character in the light of the provisions applicable thereto. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further material information as is necessary to make the required statements, in the light of the circumstances under which they are made, not misleading. | |  | |  | | |  | |
| * 1. Financial statements filed with the Commission which are not prepared in accordance with generally accepted accounting principles will be presumed to be misleading or inaccurate, despite footnote of other disclosures, unless the Commission has otherwise provided. This article and other articles of Regulation S-X provide clarification of certain disclosures which must be included in any event, in financial statements filed with the Commission. | |  | |  | | |  | |
| * 1. In all filings of foreign private issuers (see §230.405 of this chapter), except as stated otherwise in the applicable form, the financial statements may be prepared according to a comprehensive set of accounting principles, other than those generally accepted in the United States or IFRS as issued by the IASB, if a reconciliation to U. S. GAAP and the provisions of Regulation S-X of the type specified in Item 18 of Form 20-F is also filed as part of the financial statements. Alternatively, the financial statements may be prepared according to U.S. GAAP or IFRS as issued by the IASB. | |  | |  | | |  | |
| **Rule 4-02** — **Items not material** need not be separately presented.Combination of insignificant amounts is permitted. | |  | |  | | |  | |
| **Rule 4-03** — **Inapplicable captions and unrequired or inapplicable financial statements** may be omitted. Indicate reason for omission of any financial statements. | |  | |  | | |  | |
| **Rule 4-04** — **Omission of substantially identical notes.** Notes covering subject matter applicable to more than one statement need not be repeated, provided that a clear reference is made to the note in each of the statements. | |  | |  | | |  | |
| **Rule 4-07** — **Discount on shares**, or any unamortized balance thereof, should be shown separately as a deduction from the applicable accounts, as circumstances require. | |  | |  | | |  | |
| **Rule 4-08** — **General notes to financial statements.** The following information, if applicable, should be provided for each financial statement required to be filed, except that information required by items marked (\*) should be provided as of the date of the most recent audited balance sheet:   1. Removed | |  | |  | | |  | |
| 1. **\*Assets mortgaged, pledged, or otherwise subject to lien,** and the approximate amounts thereof, should be designated and the obligations collateralized briefly identified. | |  | |  | | |  | |
| 1. **\*Defaults —** The facts and amounts concerning any default or any breach of covenant that existed at the date of the most recent balance sheet filed and has not subsequently been cured should be stated. If a default or breach exists, but acceleration of the obligation has been waived for a stated period of time beyond the date of the most recent balance sheet being filed, state the amount of the obligation and the period of the waiver. | |  | |  | | |  | |
| 1. \***Preferred shares:** Aggregate preferences on involuntary liquidation, if other than par or stated value, shall be shown parenthetically in the equity section of the balance sheet. | |  | |  | | |  | |
| See discussion of SAB Topic 5-Q for the SEC’s comments concerning Imputation of Dividends on Nonredeemable Preferred Stock With Initial Below Market Dividend Rates(also known as “increasing rate preferred stock”). | |  | |  | | |  | |
| 1. \***Restrictions that limit the payment of dividends by registrant:** | |  | |  | | |  | |
| (1) Describe the most significant restrictions on the payment of dividends by the registrant, indicating their sources, their pertinent provisions, and the amount of retained earnings or net income restricted or free of restrictions. | |  | |  | | |  | |
| (2) Disclose the amount of consolidated retained earnings that represents undistributed earnings of 50%-or-less-owned persons accounted for by the equity method. | |  | |  | | |  | |
| (3) Disclose the following information when material: | |  | |  | | |  | |
| (i) Describe the nature of any restrictions on the ability of consolidated subsidiaries and unconsolidated subsidiaries to transfer funds to the registrant in the form of cash dividends, loans or advances (e.g., borrowing arrangements, regulatory restraints, foreign government). | |  | |  | | |  | |
| (ii) Disclose separately the amounts of such restricted net assets for unconsolidated subsidiaries and consolidated subsidiaries as of the end of the most recently completed fiscal year. | |  | |  | | |  | |
| Note: As defined by S-X Rule 1-02(dd), the term “restricted net assets” shall mean that amount of the registrant's proportionate share of net assets of consolidated subsidiaries (after intercompany eliminations) which as of the end of the most recent fiscal year may not be transferred to the parent company by subsidiaries in the form of loans, advances, or cash dividends without the consent of a third party (i.e., lender, regulatory agency, foreign government, etc.). Not all limitations on transferability of assets are considered to be restrictions for purposes of this rule paragraph, which considers only specific third-party restrictions on the ability of subsidiaries to transfer funds outside of the entity. For example, the presence of subsidiary debt which is secured by certain of the subsidiary's assets does not constitute a restriction under this rule paragraph. However, if there are any loan provisions prohibiting dividend payments, loans, or advances to the parent by a subsidiary, these are considered restrictions for purposes of computing restricted net assets. When a loan agreement requires that a subsidiary maintain certain working capital, net tangible asset, or net asset levels, or where formal compensating arrangements exist, there is considered to be a restriction under the rule of this paragraph because the lender's intent is normally to preclude the transfer by dividend or otherwise of funds to the parent company. Similarly, a provision which requires that a subsidiary reinvest all of its earnings is a restriction, since this precludes loans, advances, or dividends in the amount of such undistributed earnings by the entity. When restrictions on the amount of funds which may be loaned or advanced differ from the amount restricted as to transfer in the form of cash dividends, the amount least restrictive to the subsidiary shall be used. Redeemable preferred stocks and noncontrolling interests shall be deducted in computing net assets for purposes of this test. | |  | |  | | |  | |
| 1. **\*Significant changes in authorized amounts of bonds, mortgages, and similar debt** subsequent to the date of the latest balance sheet being filed. See FRR Section 217 regarding debt defeasance. | |  | |  | | |  | |
| 1. **Summarized financial information** of subsidiaries not consolidated and 50%-or-less-owned persons: | |  | |  | | |  | |
| (1) The summarized information as to assets, liabilities, and results of operations as detailed in S-X Rule 1-02(bb) shall be presented in notes to the financial statements on an individual or group basis for (i) subsidiaries not consolidated; or (ii) for 50 percent or less owned persons accounted for by the equity method by the registrant or by a subsidiary of the registrant, if the criteria in S-X Rule 1-02(w) for a significant subsidiary are met:  (A) individually by any subsidiary not consolidated or any 50% or less owned person or | |  | |  | | |  | |
| (B) on an aggregated basis by any combination of such subsidiaries and persons. | |  | |  | | |  | |
| (2) Summarized financial information shall be presented insofar as is practicable as of the same dates and for the same periods as the audited consolidated financial statements provided and shall include the disclosures prescribed by S-X Rule 1-02(bb). Summarized information of subsidiaries not consolidated shall not be combined for disclosure purposes with the summarized information of 50 percent or less owned persons. | |  | |  | | |  | |
| 1. **Income tax expense —** | |  | |  | | |  | |
| (1) **Major components of tax expense.** Disclose in the statement of comprehensive income, or in a footnote, the domestic and foreign components of pretax income. | |  | |  | | |  | |
| **Federal, foreign, and state income taxes.** Amounts applicable to United States Federal income taxes, to foreign income taxes, and the other income taxes shall be stated separately for each major component. Amounts applicable to foreign income (loss) and amounts applicable to foreign or other income taxes which are less than five percent of the total of income before taxes or the component of tax expense, respectively, need not be separately disclosed. | |  | |  | | |  | |
| (2) **Reconciliation.** Provide a reconciliation between the reported income tax expense (benefit) and the amount computed by multiplying pretax income (loss) by the statutory federal tax rate. See ASC Paragraph 740-10-50-12. | |  | |  | | |  | |
| * + 1. If no individual reconciling item amounts to more than 5 percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, and the total difference to be reconciled is less than 5 percent of such amount, no reconciliation needs to be provided. | |  | |  | | |  | |
| * + 1. Reconciling items that are individually less than 5 percent of the computed amount may be aggregated in the reconciliation. | |  | |  | | |  | |
| * + 1. If the reporting person is a foreign entity, the income tax rate in the person’s country of domicile should normally be used in making the above computation, but different rates should not be used for subsidiaries or other segments of a reporting entity. | |  | |  | | |  | |
| * + 1. When the rate used by a reporting person is other than the U.S. Federal corporate income tax rate, the rate used and the basis for using such rate shall be disclosed. | |  | |  | | |  | |
| 1. [Reserved] | |  | |  | | |  | |
| 1. [Reserved] | |  | |  | | |  | |
| 1. **Related-party transactions that affect the financial statements.** [For a definition of Related Party, see S-X Rule 1-02(u).] | |  | |  | | |  | |
| (1) Amounts of related-party transactions should be stated on the face of the balance sheet, statement of comprehensive income, or statement of cash flows. | |  | |  | | |  | |
| (2) If separate financial statements are presented for the registrant, certain investees, or subsidiaries, any intercompany profits or losses resulting from transactions with related parties, and the effects thereof, shall be disclosed. | |  | |  | | |  | |
| See SAB Topic 5-T regarding accounting for expenses or liabilities paid by a principal stockholder. | |  | |  | | |  | |
| 1. [Reserved] | |  | |  | | |  | |
| 1. **Repurchase and reverse repurchase agreements.**   (1) If the greater of the carrying amount or market value of securities or other assets sold under repurchase agreements exceed 10% of total assets of the registrant: | |  | |  | | |  | |
| (i) Disclose separately in the balance sheet the aggregate amount of liabilities incurred pursuant to repurchase agreements including accrued interest thereon. | |  | |  | | |  | |
| (ii) Disclose in a footnote a tabular presentation segregated as to type of security and maturity date the following: (a) carrying amount and market value of the assets sold under the repurchase agreement including accrued interest plus any cash or other assets on deposit, and (b) the repurchase liability associated with such transaction or group of transactions and the interest rate thereon.  For purposes of this footnote disclosure, do not include securities or other assets for which unrealized changes in market value are reported in current income or which have been obtained under reverse repurchase agreements. | |  | |  | | |  | |
| (iii) If, as of the most recent balance-sheet date, the amount at risk under repurchase agreements with any individual counterparty or group of related counterparties exceeds 10% of stockholders’ equity (or in the case of investment companies, net asset value), disclose (i) the name of each such counterparty or group of related counterparties, (ii) the amount at risk with each, and (iii) the weighted average maturity of the repurchase agreements with each.  The amount at risk under repurchase agreements is defined as the excess of carrying amount (or market value, if higher than the carrying amount or if there is no carrying amount) of the securities or other assets sold under agreement to repurchase, including accrued interest plus any cash or other assets on deposit to secure the repurchase obligation, over the amount of the repurchase liability (adjusted for accrued interest). | |  | |  | | |  | |
| (2)(i) If, as of the most recent balance-sheet date, the aggregate carrying amount of “reverse repurchase agreements” (securities or other assets purchased under agreements to resell) exceeds 10% of total assets: | |  | |  | | |  | |
| (a) Disclose separately such amount in the balance sheet | |  | |  | | |  | |
| (b) Disclose in an appropriately captioned footnote: (1) the registrant’s policy with regard to taking possession of securities or other assets purchased under agreements to resell; and (2) whether or not there are any provisions to ensure that the market value of the underlying assets remains sufficient to protect the registrant in the event of default by the counterparty and if so, the nature of those provisions. | |  | |  | | |  | |
| (ii) If, as of the most recent balance-sheet date, the amount of risk under reverse repurchase agreements with any individual counterparty or group of related counterparties exceeds 10% of stockholders’ equity (or in the case of investment companies, net asset value), disclose the name of each such counterparty or group of related counterparties, the amount at risk with each, and the weighted average maturity of the reverse repurchase agreements with each.  The amount at risk under reverse repurchase agreements is defined as the excess of the carrying amount of the reverse repurchase agreements over the market value of assets delivered pursuant to the agreements by the counterparty to the registrant (or to a third-party agent that has affirmatively agreed to act on behalf of the registrant) and not returned to the counterparty, except in exchange for their approximate market value in a separate transaction. | |  | |  | | |  | |
| 1. **Accounting policies for certain derivative instruments.**   Disclosures regarding accounting policies should include to the extent material where derivative financial instruments, and their related gains and losses, as defined by U.S. GAAP, are reported in the statement of cash flows. | |  | |  | | |  | |
| **Rule 4-10** — Prescribes financial accounting and reporting standards for registrants engaged in oil and gas producing activities and persons engaged in the production of crude oil or natural gas in the United States under Section 503 of the Energy Policy and Conservation Act and Section 11(c) of the Energy Supply and Environmental Coordination Act. [Also see FRR Section 406, SAB Topic 12, SAB 113, and Industry Guide 2.] | |  | |  | | |  | |
| **See SAB Topic 2-D** regarding financial statement requirements and accounting for oil and gas exchange offers. | |  | |  | | |  | |
| ARTICLE 5. COMMERCIAL AND INDUSTRIAL COMPANIES | |  | |  | | |  | |
| **Rule 5-01 — General application**  Rules 5-01 to 5-04 should be applicable to financial statements filed for all persons except:  (a) Registered investment companies (see Rule 6-01 to 6-11).  (b) Employee stock purchase, savings and similar plans (see Rule 6A-01 to 6A-05).  (c) Insurance companies (see Rule 7-01 to 7-05).  (d) Bank holding companies and banks (see Rule 9-01 to 9-07).  (e) Brokers and dealers when filing Form X-17A-5 (see Rule 17a-5 and 17a-10 under the Exchange Act). | |  | |  | | |  | |
| **Rule 5-02** — **Balance sheets**  **Assets and Other Debits**  **Current Assets, when appropriate** | |  | |  | | |  | |
| 1. **Cash and cash items.** State separately cash and cash items that are restricted as to withdrawal or usage (e.g., legally restricted deposits held as compensating balances, contracts entered into with others, company statements of intention with regard to particular deposits) and describe in the notes the provisions of restrictions. Time deposits and short-term CDs are not generally included in legally restricted deposits. Disclose cases in which compensating balance arrangements exist but do not legally restrict the use of cash, for the latest audited balance sheet and any unaudited interim balance sheet. Disclose compensating balances maintained to assure future credit availability. | |  | |  | | |  | |
| See FRR Section 203 and SAB Topic 6-H for interpretations. | |  | |  | | |  | |
| 2. **Marketable securities.** Disclose the basis of determining the total amount shown in the balance sheet, and the total cost or the total market value. | |  | |  | | |  | |
| See FRR Section 207 for additional guidance. | |  | |  | | |  | |
| 3. **Accounts and notes receivable.** | |  | |  | | |  | |
| a. State separately amounts receivable from customers, related parties [see S-X Rule 4-08(k)], underwriters, promoters, and employees (other than related parties) that arose other than in the ordinary course of business, and others. | |  | |  | | |  | |
| b. If notes receivable exceed 10% of the total receivables, the above information must be stated separately for both accounts and notes receivable in the balance sheet or the footnotes. | |  | |  | | |  | |
| c. If receivables include amounts due under long-term contracts (see Item 6.d. below and FRR Section 206), state separately in the balance sheet or the footnotes: | |  | |  | | |  | |
| (1) Receivables billed but not paid under retainage provision in contracts. | |  | |  | | |  | |
| (2) Recognized sales value of performance and amounts that had not been billed and were not billable, and the prerequisites for billing. | |  | |  | | |  | |
| (3) Billed or unbilled claims subject to uncertainty concerning their determination or ultimate realization and the nature and status of the principal items comprising such amount. | |  | |  | | |  | |
| (4) For items (1) through (3) state the amounts to be collected after one year. State, by year, when the amounts of retainage [item (1) above] are expected to be collected. | |  | |  | | |  | |
| Also see SAB Topics 4-E and 4-G. | |  | |  | | |  | |
| See SAB Topic 1-I concerning financial statements of properties securing mortgage loans. | |  | |  | | |  | |
| 4. **Allowances for doubtful accounts and notes receivable.** Disclose separately on the balance sheet or in a footnote. | |  | |  | | |  | |
| See Schedule II in Rule 5-04 of this checklist. | |  | |  | | |  | |
| See discussion at FRR Section 401.09. | |  | |  | | |  | |
| See SAB Topic 6-L for Staff’s views concerning loan loss allowance methodology and documentation issues. | |  | |  | | |  | |
| 5. **Unearned income.** | |  | |  | | |  | |
| 6. **Inventories.** | |  | |  | | |  | |
| a. **State separately the major classes of inventory —** e.g., finished goods, inventoried costs relating to long-term contracts or programs [see Item (d) below], work in process, raw materials, and supplies. | |  | |  | | |  | |
| If the method of calculating a LIFO inventory does not allow for the practical determination of amounts assigned to major classes of inventory, the amounts of those classes may be stated under cost flow assumptions other than LIFO, with the excess of such total amount over the aggregate LIFO amount shown as a deduction to arrive at the amount of the LIFO inventory. | |  | |  | | |  | |
| b. **Disclose the basis of determining the amounts.** If cost is used for any portion of the inventory, describe the nature of the cost elements (e.g., costs in excess of manufacturing or production costs over the amounts charged to cost of sales or delivered or in-process units, initial tooling or other deferred start-up costs, or general and administrative costs). | |  | |  | | |  | |
| Describe the method by which amounts are removed from inventory. If the “estimated average cost per unit” is used (under a total program or similar basis of accounting), state the assumptions (including the total number of units to be delivered, the number of units delivered to date, and the number of units on order). | |  | |  | | |  | |
| If general and administrative costs are charged to inventory, state the total amount of such costs incurred in each period and the amount remaining in inventory at each balance-sheet date. | |  | |  | | |  | |
| c. **LIFO** (See FRR Section 205.) | |  | |  | | |  | |
| **Replacement Cost:** If LIFO is used, state the excess of replacement or current cost overstated LIFO value. | |  | |  | | |  | |
| See AICPA LIFO Issues Paper (December 1984) for guidance on certain financial accounting and reporting issues. If guidance in the Issues Paper is not followed, the registrant and the auditor should be prepared to justify their position [SAB Topic 5-L]. | |  | |  | | |  | |
| A material change to conform to Issues Paper requires a preferability letter from auditor (SAB Topic 6-G.2.b). | |  | |  | | |  | |
| **LIFO Liquidation:** See SAB Topic 11-F for the disclosure of income realized from a liquidation of the LIFO inventory. | |  | |  | | |  | |
| d. **Long-term contracts or programs** include (1) those for which gross profits are recognized on a percentage-of-completion method (or any variant thereof), and (2) those accounted for on a completed contract basis. Such contracts have been, or will be, performed over a period of more than one year. Shorter contracts or programs may also be included, if deemed appropriate. See FRR Section 206. | |  | |  | | |  | |
| For all long-term contracts or programs not yet complete, state the following information: | |  | |  | | |  | |
| (1) The amount of manufacturing or production costs, and any related deferred costs, which exceed the cost of in-process and delivered units on the basis of the estimated average cost of all units expected to be produced (learning curve concept), and that portion of such amount that would not be absorbed in cost of sales based on existing firm orders at the balance-sheet date; also, the amount of deferred costs by type of cost. | |  | |  | | |  | |
| (2) The amount of claims, or similar items subject to uncertainty concerning their realization, and the nature and status of the principal items comprising such amount. | |  | |  | | |  | |
| (3) The amount of progress payments netted against inventory. | |  | |  | | |  | |
| Disclosures related to defense and other long-term contracts are discussed at FRR Section 206. | |  | |  | | |  | |
| 7. **Prepaid expenses.** | |  | |  | | |  | |
| 8. **Other current assets.** State separately in the balance sheet or the footnotes any other items in excess of 5% of total current assets. | |  | |  | | |  | |
| 9. **Total current assets,** when appropriate. | |  | |  | | |  | |
| 10. **Securities of related parties.** [See S-X Rule 4-08(k)]. For definition of “related party,” see S-X Rule 1-02(u). | |  | |  | | |  | |
| 11. **Indebtedness of related parties — not current.** See S-X Rule 4-08(k). | |  | |  | | |  | |
| 12. **Other investments.** For security investments other than noncurrent marketable equity securities (which GAAP addresses), or any other investment, disclose the basis of determining the total amounts shown in the balance sheet, and the total cost or total market value. | |  | |  | | |  | |
| SAB Topic 5-M furnishes the SEC guidance on factors to be considered in determining whether a decline in market value of equity securities is other than temporary. If other than temporary, a realized loss is to be recorded. | |  | |  | | |  | |
| 13. **Property, plant, and equipment.** State each major class (land, buildings, machinery and equipment, leaseholds), or functional grouping (revenue producing equipment or industry categories), and the basis of determining the amounts. See FRR Section 209. | |  | |  | | |  | |
| 14. **Accumulated depreciation, depletion, and amortization of property, plant, and equipment.** State amounts separately in the balance sheet or the footnotes. | |  | |  | | |  | |
| 15. **Intangible assets.** State each class of intangible assets in excess of 5% of total assets, and the basis of determining the amounts. Explain significant additions or deletions. | |  | |  | | |  | |
| 16. **Accumulated depreciation and amortization of intangible assets.** Disclose the amount separately in the balance sheet or the footnotes. | |  | |  | | |  | |
| 17. **Other assets.** State separately in the balance sheet or the footnotes any other items not properly classed in one of the preceding asset captions in excess of 5% of total assets. Explain significant additions or deletions. For deferred charges, state the policy for deferral and amortization. | |  | |  | | |  | |
| SAB Topic 5-A discusses SEC guidance on aborted offering expenses. | |  | |  | | |  | |
| SAB Topic 5-O discusses SEC guidance on financing research and development arrangements. | |  | |  | | |  | |
| SAB Topic 121 discusses SEC guidance on crypto assets.  On March 31, 2022, the SEC staff released Staff Accounting Bulletin No. 121, which expresses the staff’s views on how an entity that has an obligation to safeguard "crypto-assets" for another party should account for that obligation. The SEC staff believes these safeguarding arrangements "involve unique risks and uncertainties not present in arrangements to safeguard assets that are not crypto-assets, including technological, legal, and regulatory risks and uncertainties." The SEC staff further believes the guidance in SAB No. 121 "will enhance the information received by investors and other users of financial statements about these risks, thereby assisting them in making investment and other capital allocation decisions."  Under SAB No. 121, an entity with a safeguarding obligation recognizes a safeguarding liability with an accompanying safeguarding asset, both initially measured at the fair value of the safeguarded "crypto-assets." SAB No. 121 also discusses certain quantitative and qualitative information the staff would expect to see disclosed, both inside and outside the financial statements, about the safeguarding obligation.  Refer to [SAB 121](https://www.sec.gov/oca/staff-accounting-bulletin-121) as well as Deloitte’s [SAB 121 Technical Practice Aid](https://techlib.deloitteresources.com?link=content/2_635327) for additional guidance. | |  | |  | | |  | |
| 18. **Total assets.** | |  | |  | | |  | |
| **Current Liabilities, when appropriate**  19. **Accounts and notes payable.** | |  | |  | | |  | |
| a. State separately amounts payable to banks, factors, or other financial institutions, holders of commercial paper, trade creditors, related parties [see Rule 4-08(k)], underwriters, promoters, and employees (other than related parties), and others. | |  | |  | | |  | |
| b. If significant, disclose in the notes the amount and terms (including commitment fees and the conditions under which lines may be withdrawn) of unused lines of credit for short-term financing. Identify the amounts of these lines supporting commercial paper arrangements. | |  | |  | | |  | |
| c. Disclose the weighted average interest rate on short-term borrowings outstanding as of the date of each balance sheet presented. See SAB Topic 6-H, and FRR Section 203 as to disclosures of compensating balances and short-term borrowing arrangements. | |  | |  | | |  | |
| 20. **Other current liabilities.** State any item in excess of 5% of total current liabilities separately, in the balance sheet or in the footnotes (e.g., accrued payrolls, accrued interest, taxes, the current portion of deferred income taxes, and the current portion of long-term debt); remaining items may be shown in one amount. | |  | |  | | |  | |
| 21. **Total current liabilities,** when appropriate. | |  | |  | | |  | |
| **Long -Term Debt**  22. **Bonds, mortgages, and other long-term debt, including capitalized leases.** State each issue or type of obligation and disclose the general character of each type of debt — including the rate of interest; the date of maturity, or if maturing serially, a brief indication of the serial maturities; if the payment of principal or interest is contingent, an indication of such contingency; an indication of priority; and if convertible, the basis. For amounts owed to related parties, see Rule 4-08(k). [Also see SAB Topic 4-A.] | |  | |  | | |  | |
| State the amount and terms (including commitment fees and the conditions under which commitments may be withdrawn) of unused commitments for long-term financing arrangements. | |  | |  | | |  | |
| **Demand notes with repayment terms** are not to be classified as long-term (ASC Paragraph 470-10-45-10). | |  | |  | | |  | |
| 23. **Indebtedness of related parties** — **not current.** See S-X Rule 4-08(k). | |  | |  | | |  | |
| 24. **Other liabilities.** State separately in the balance sheet or the footnotes any item, not properly classed in one of the preceding liability captions, in excess of 5% of total liabilities. | |  | |  | | |  | |
| 25. **Commitments and contingent liabilities.** | |  | |  | | |  | |
| **Loss Contingencies** — see SAB Topic 5-Y for guidance on accounting and disclosures. Also see SAB Topic 10-F for utilities. | |  | |  | | |  | |
| **Oral guarantees** — see FRR Section 104. | |  | |  | | |  | |
| 26. **Deferred credits.** State separately in the balance sheet deferred income taxes, deferred tax credits, and material items of deferred income. | |  | |  | | |  | |
| 27. **Preferred stock subject to mandatory redemption requirements or preferred or common stocks whose redemption is outside the control of the issuer.** See ASC Subtopic 480-10, FRR Section 211, and SAB Topic 3-C. | |  | |  | | |  | |
| a. Include amounts applicable to any class of stock (common or preferred) with any of the following characteristics: (1) it is redeemable at a fixed or determinable price on a fixed or determinable date(s), whether by operation of a sinking fund or otherwise; (2) it is redeemable at the option of the holder (without regard to the probability of redemption even if the probability of redemption is remote); *or* (3) it has conditions for redemption that are not solely within the control of the issuer. | |  | |  | | |  | |
| b. State on the face of the balance sheet the title of each issue, the carrying amount, and redemption amount. If there is more than one issue, amounts may be totaled on balance sheet and details disclosed in a note. Stock subscriptions receivable are deducted from stock subscribed account unless the amount has been collected by the date of the filing and so disclosed — see SAB Topic 4-E. If the carrying value is different from the redemption amount, describe the accounting treatment for the difference in the note required by Item c. below. State (on the balance sheet or in the note), for each issue, the number of shares authorized, issued, or outstanding, as appropriate. See S-X Rule 4-07*.* | |  | |  | | |  | |
| c. State in a note captioned “Redeemable Preferred Stocks”: (1) a general description of each issue, including its redemption features and the rights (if any) of holders in the event of default [including the effect (if any) on junior securities in the event a required dividend, sinking fund, or other redemption payment(s) is not made]; (2) the combined aggregate amount of redemption requirements for all issues each year for the five years following the date of the latest balance sheet; and (3) the changes in each issue for each period for which a statement of comprehensive income is required to be filed. See S-X Rule 4-08(d). | |  | |  | | |  | |
| d. Securities included in this caption are not to be included under a general heading “stockholders’ equity” or combined in a total with any of the following: (1) “nonredeemable preferred stocks,” (2) “common stocks,” or (3) “other stockholders’ equity.” | |  | |  | | |  | |
| See FRR Section 211 regarding possible double debt-to-equity ratio presentation by registrants with material amounts of outstanding redeemable preferred stock. | |  | |  | | |  | |
| 28. **Preferred stocks that are not redeemable or are redeemable solely at the option of the issuer.** | |  | |  | | |  | |
| State on the face of the balance sheet, or if more than one issue is outstanding in a note, the title of each issue and the dollar amount thereof. Stock subscriptions receivable are deducted from stock subscribed account unless the amount has been collected by the date of the filing and so disclosed. For each issue, state the number of shares authorized, issued, or outstanding, as appropriate. Show the changes in each class of preferred shares reported under this caption for each period for which a statement of comprehensive income is required to be filed. See S-X Rule 4-07 and 4-08(d). | |  | |  | | |  | |
| 29. **Common stocks.** State on the balance sheet each class, the number of shares issued or outstanding, and the dollar amount. If convertible, state this fact on the balance sheet. For each class of common stock, on the balance sheet or in a note, give the title of the issue, the number of shares authorized, and if convertible, the basis of conversion. Stock subscriptions receivable are deducted from stock subscribed account unless the amount has been collected by the date of the filing and is so disclosed — see SAB Topic 4-E. Disclose in a note or statement, the changes in each class of common shares for each period for which a statement of comprehensive income is required. The number of shares reserved for whatever purpose is disclosed and particulars described. | |  | |  | | |  | |
| 30. **Other stockholders’ equity.** | |  | |  | | |  | |
| Subordinated debt may not be shown as other stockholders’ equity or grouped under a caption representing the combination of stockholders’ equity and subordinated debt (SAB Topic 4-A). | |  | |  | | |  | |
| Captions are shown for additional paid-in capital, other additional capital, and retained earnings (appropriated and unappropriated), and accumulated other comprehensive income. Additional paid-in capital and other additional capital may be combined with the stock caption to which it applies. | |  | |  | | |  | |
| For a period of at least 10 years after a quasi-reorganization, retained earnings must indicate the date of the reorganization, and for a period of at least 3 years, must indicate on the balance sheet the total amount of the deficit eliminated (FRR Section 210). See discussion of quasi-reorganizations at SAB Topic 5-S. | |  | |  | | |  | |
| 31. **Noncontrolling interests in consolidated subsidiaries.** If material, disclose in the notes the amounts represented by preferred stock and the applicable dividend requirements. | |  | |  | | |  | |
| **Changes in other stockholders’ equity —** S-X Rule 3-04. | |  | |  | | |  | |
| **OTHER MATTERS:** | |  | |  | | |  | |
| **Stock distributions: dividends or split-ups.** See FRR Section 214. Also see SAB Topic 4-C, as to the practice followed by the SEC staff if a stock dividend, stock split, or reverse split occurs after the balance-sheet date. | |  | |  | | |  | |
| **Accumulated or undistributed earnings** in capital accounts of a proprietorship, partnership, or Subchapter S corporation are treated as paid-in capital when entity incorporates or terminates its election. See SAB Topic 4-B. | |  | |  | | |  | |
| **Business or assets acquired in exchange for stock.** If acquired from an affiliated person, such transactions are usually recorded at transferor’s cost. See SAB Topic 5-G. | |  | |  | | |  | |
| **Treatment of deferred compensation** arising from the sale of capital stock to officers or employees at prices below market. See SAB Topic 4-E. | |  | |  | | |  | |
| 32. **Total liabilities and equity** | |  | |  | | |  | |
| **Rule 5-03** — **Statements of comprehensive income** | |  | |  | | |  | |
| Note**: Restructuring of operations.** See SAB Topic 5-P and Topic 5-BB regarding classification of provisions for restructuring that include items such as sales of equipment and facilities, writedowns of assets, employer severance costs, relocation of facilities, and inventory valuation allowances; related ASC Subtopic 420-10 for costs associated with exit or disposal activities. See also SAB Topic 5-CC and ASC Topics 350 and 360, as applicable, regarding impaired asset values and writedowns for loss of economic value. | |  | |  | | |  | |
| 1. **Net sales and gross revenues.** State separately (a) net sales of tangible products (gross sales less discounts, returns, and allowances); (b) operating revenues of public utilities or others; (c) income from rentals; (d) revenues from services; and (e) other revenues. | |  | |  | | |  | |
| **Sales of products must be separately disclosed from revenues from services if revenue of either caption exceeds 10% of total revenues.** If income is received from more than one of the above subcaptions, each class that is not more than 10% of the sum of the items may be combined with another class. If items are combined, related costs and expenses (Rule 5-03.2 — Costs and Expenses Applicable to Sales and Revenues) must be combined in the same manner. | |  | |  | | |  | |
| Amounts earned from related-party transactions are to be disclosed according to Rule 4-08(k). | |  | |  | | |  | |
| A public utility company using a uniform system of accounts or a form for annual report prescribed by federal or state authorities, or a similar system or report, is to follow the general segregation of operating revenues and expenses reported under Rule 5-03.2 prescribed by such system or report. | |  | |  | | |  | |
| If the total of sales and revenues includes excise taxes of 1% or more of the total, the excise taxes must be shown separately on the face of the statements of comprehensive income. | |  | |  | | |  | |
| See SAB Topic 8-A for the treatment by retailers of the sales of leased or licensed departments. | |  | |  | | |  | |
| See SAB Topic 8-B for the disclosure of service charges on credit sales by retailers. | |  | |  | | |  | |
| See SAB Topic 11-L regarding income statement presentation by casinos with hotel and restaurant operations. | |  | |  | | |  | |
| 2. **Costs and expenses applicable to sales and revenues.** State separately the amount of (a) cost of tangible goods sold; (b) operating expenses of public utilities or others; (c) expenses applicable to rental income; (d) cost of services; and (e) expenses applicable to other revenues. Merchandising organizations, both wholesale and retail, may include occupancy and buying costs under cost of tangible goods sold. | |  | |  | | |  | |
| Amounts of costs and expenses incurred from transactions with related parties should be disclosed according to Rule 4-08(k). | |  | |  | | |  | |
| See SAB Topic 11-B for the disclosure if depreciation, depletion, and amortization are excluded from cost of sales. | |  | |  | | |  | |
| 3. **Other operating costs and expenses.** State material amounts not included under Rule 5-03.2 above. | |  | |  | | |  | |
| See SAB Topic 11-B for the disclosure if depreciation, depletion, and amortization are excluded from operating expenses. | |  | |  | | |  | |
| 4. **Selling, general, and administrative expenses.** | |  | |  | | |  | |
| 5. **Provision for doubtful accounts and notes.** | |  | |  | | |  | |
| 6. **Other general expenses.** Include items not normally included in Rule 5-03.4 above. State separately any material items. | |  | |  | | |  | |
| SAB Topic 5-B addresses accounting for gains and losses from disposition of equipment. | |  | |  | | |  | |
| SAB Topic 13-A, footnote 68, addresses income statement classification for gains or losses recognized from the sale or disposition of operating assets. In short, the SAB requires such gains and losses (including from the sale of a business not qualifying as a discontinued operation) to be reported as “other general expenses,” within operating expenses, pursuant to Regulation S-X, Rule 5-03(6). | |  | |  | | |  | |
| SAB Topic 14 (SAB 107, SAB 110 and SAB 120) addresses accounting for share-based payment. | |  | |  | | |  | |
| 7. **Nonoperating income.** State separately in the statement of comprehensive income or the footnotes amounts earned from dividends, interest on securities, profits on securities (net of losses), and miscellaneous other income. Material amounts included under miscellaneous other income must be separately stated, indicating the nature of the transactions. | |  | |  | | |  | |
| Amounts earned from transactions in securities of related parties should be disclosed according to Rule 4-08(k). | |  | |  | | |  | |
| SAB Topic 5-E covers accounting for divestiture (leveraged buyout) of a subsidiary or other business operation. | |  | |  | | |  | |
| SAB Topic 5-V addresses accounting for transfers of nonperforming assets by financial institutions to newly created entities. The SAB lists certain conditions that will preclude accounting for the transfer as a sale or disposition. | |  | |  | | |  | |
| **1**8. **Interest and amortization of debt discount and expense.** Interest expense should not be shown net of interest income. | |  | |  | | |  | |
| 19. **Nonoperating expenses.** State separately in the statement of comprehensive income or the footnotes amounts of losses on securities (net of profits) and miscellaneous income deductions. Material amounts included under miscellaneous income deductions must be separately stated, indicating the nature of the transactions. | |  | |  | | |  | |
| 10. **Income or loss before income tax expense and appropriate items below.** | |  | |  | | |  | |
| 11. **Income tax expense.** Include only taxes based on income. See FRR Section 204. See Rule 4-08(h). | |  | |  | | |  | |
| 12. **Equity in earnings of unconsolidated subsidiaries and 50%-or-less-owned persons.** State, parenthetically or in a footnote, the amount of dividends received from such persons. | |  | |  | | |  | |
| 13. **Income or loss from continuing operations.** | |  | |  | | |  | |
| 14. **Discontinued operations.** (See SAB Topic 5-Z, ASC Subtopic 205-20). | |  | |  | | |  | |
| 15. **[Reserved]** | |  | |  | | |  | |
| 16. **[Reserved]** | |  | |  | | |  | |
| 17. **Cumulative effects of changes in accounting principles.** (SeeFASB Topic250) | |  | |  | | |  | |
| 18. **Net income or loss.** | |  | |  | | |  | |
| 19. **Net income attributable to the noncontrolling interest.** | |  | |  | | |  | |
| 20. **Net income attributable to the controlling interest.** Net income applicable to common stock is to be shown separate on the statement of comprehensive income, if materially different in quantitative terms from reported net income or loss or when it is indicative of significant trends or other qualitative consideration. (SAB Topic 6-B). | |  | |  | | |  | |
| 21. **Other comprehensive income.** State separately the components of and the total for other comprehensive income. Present the components either net of or before related tax effects with one amount shown for the aggregate income tax expense or benefit. State the amount of income tax expense or benefit allocated to each component, including reclassification adjustments, in the statement of comprehensive income or in a note. | |  | |  | | |  | |
| 22. **Comprehensive income.** | |  | |  | | |  | |
| 23. **Comprehensive income attributable to the noncontrolling interest.** | |  | |  | | |  | |
| 24. **Comprehensive income attributable to the controlling interest.** | |  | |  | | |  | |
| 25. **Earnings per share data.** See FASB ASC Topic 260. | |  | |  | | |  | |
| See SAB Topic 3-A for SEC’s view if a registrant proposes to register convertible securities. | |  | |  | | |  | |
| See SAB Topic 3-C regarding calculation involving redeemable preferred stock increases. | |  | |  | | |  | |
| See SAB Topic 4-D as to the effect of “cheap stock” on EPS. | |  | |  | | |  | |
| See FRR Section 202 for SEC’s views on the reporting of “cash flow” per share. | |  | |  | | |  | |
| **Rule 5-04** — **What schedules are to be filed.** | |  | |  | | |  | |
| 1. **Dates and periods for which schedules are to be filed.** | |  | |  | | |  | |
| Except as provided otherwise in the applicable form: | |  | |  | | |  | |
| a. Schedules II and III are to be filed as of the date of the most recent audited balance sheet for each person or group. | |  | |  | | |  | |
| b. Schedules I and IV are to be filed as of the date and for the periods specified in those schedules. | |  | |  | | |  | |
| c. Schedule II is to be filed for each period for which an audited statement of comprehensive income is filed for each person or group. | |  | |  | | |  | |
| d. Schedules are to be audited if the related financial statements are audited. | |  | |  | | |  | |
| 2. **Schedules to be filed.** Information provided in basic financial statements or elsewhere need not be duplicated in schedules. Schedules, captions, and column headings that are not applicable may be omitted. Captions and column headings may be altered appropriately to fit the circumstances. If a schedule is not filed, indicate the reason omitted (e.g., no respective financial statement captions, full disclosure in financial statements and notes thereto, test not met, other). Schedules omitted and the reason for omission should be given in the “Index to Financial Statement Schedules” of the form being filed. | |  | |  | | |  | |
| Article 12 of S-X prescribes the form and content of the schedules required under Rule 5-04. The required schedules have been listed numerically on the following pages with a cross-reference to the applicable rule. | |  | |  | | |  | |
| **Rule 12-04 Schedule I. Condensed financial information of registrant.** | |  | |  | | |  | |
| 1. Provide condensed financial information as to financial position, cash flows, and results of operations of the registrant as of the same dates and for the same periods for which audited consolidated financial statements are required. The financial information required need not be presented in greater detail than is required for condensed statements by S-X 10-01(a) (2), (3) and (4). Detailed footnote disclosure which would normally be included with complete financial statements may be omitted with the exception of disclosures regarding material contingencies, long-term obligations and guarantees. Descriptions of significant provisions of the registrant's long-term obligations, mandatory dividend or redemption requirements of redeemable stocks, and guarantees of the registrant shall be provided along with a five-year schedule of maturities of debt. If the material contingencies, long-term obligations, redeemable stock requirements and guarantees of the registrant have been separately disclosed in the consolidated statements, they need not be repeated in this schedule. | |  | |  | | |  | |
| 1. Disclose separately the amounts of cash dividends paid to the registrant for each of the last three fiscal years by consolidated subsidiaries, unconsolidated subsidiaries and 50 percent or less owned persons accounted for by the equity method, respectively. | |  | |  | | |  | |
| **Rule 12-09 Schedule II. Valuation and qualifying accounts.** Required in support of valuation and qualifying accounts and reserves if not disclosed in a note, such as the allowance for doubtful accounts. | |  | |  | | |  | |
| List, by major classes, all valuation and qualifying accounts and reserves not included in specific schedules. Identify each such class of valuation and qualifying accounts and reserves by descriptive title. Group (a) those valuation and qualifying accounts which are deducted in the balance sheet from the assets to which they apply and (b) those reserves which support the balance sheet caption, Reserves. Valuation and qualifying accounts and reserves as to which the additions, deductions, and balances were not individually significant may be grouped in one total and in such case the information called for under columns C and D of the schedule (see template included within the Rule 12-09) need not be given. | |  | |  | | |  | |
| **Rule 12-28 Schedule III. Real estate and accumulated depreciation.** Required in support of real estate owned by certain real estate companies or investments in real estate companies. See SAB Topic 7-C, as to the SEC staff’s view that this schedule should be included in the annual report to shareholders. | |  | |  | | |  | |
| **Rule 12-29 Schedule IV. Mortgage loans on real estate.** Required in support of investments in mortgage loans on real estate by companies specified under Schedule III. | |  | |  | | |  | |
| See SAB Topic 7-C, as to the SEC staff’s view that this schedule should be included in the annual report to shareholders. | |  | |  | | |  | |
| **Rule 12-18 Schedule V. Supplemental information concerning property-casualty insurance operations.** Requiredwhen a registrant, its subsidiaries or 50% or less owned equity method investees have liabilities for property-casualty (“P/C”) insurance claims. May be omitted if reserves for unpaid P/C claims and claims adjustment expenses of the registrant, its consolidated subsidies, its unconsolidated subsidiaries and 50% or less owned equity method investees do not, in aggregate, exceed 50% of common stockholders’ equity of the registrant and its consolidated subsidiaries as of the beginning of the fiscal year.  For purposes of this test only the proportionate share of the registrant and its other subsidiaries in the reserves for unpaid claims and claim adjustment expenses of 50%-or-less-owned equity basis investees taken in the aggregate after intercompany eliminations are taken into account. | |  | |  | | |  | |
| ARTICLE 8. FINANCIAL STATEMENTS OF SMALLER REPORTING COMPANIES | |  | |  | | |  | |
| Article 8 of Regulation S-X contains the SEC requirements for financial statements of smaller reporting companies. Refer to Article 8 for detailed guidance.  ARTICLE 10. INTERIM FINANCIAL STATEMENTS  See *Checklist for Quarterly Report on Form 10-Q.* | |  | |  | | |  | |
| ARTICLE 11. PRO FORMA FINANCIAL INFORMATION | |  | |  | | |  | |
| Refer to Chapter 4, “Pro Forma Financial Information,” of Deloitte’s [*SEC Reporting Considerations for Business Acquisitions*](https://dart.deloitte.com/USDART/pdf/401b96f2-838c-11e8-85b9-7172a0502bbd)Roadmap*,* for detailed guidance. | |  | |  | | |  | |
| Rule 11-01 — Presentation requirements. | |  | |  | | |  | |
| a. Pro forma financial information must be filed in the following situations: | |  | |  | | |  | |
| (1) During the most recent fiscal year or subsequent interim period for which a balance sheet is required by Rule 3-01, a significant business acquisition has occurred (for purposes of these rules, this encompasses the acquisition of an interest in a business accounted for by the equity method); | |  | |  | | |  | |
| (2) After the date of the most recent balance sheet filed pursuant to Rule 3-01, consummation of a significant business acquisition or a combination of entities under common control has occurred or is probable; | |  | |  | | |  | |
| (3) Securities being registered by the issuer are to be offered to the security holders of a significant business to be acquired or the proceeds from the offered securities will be used directly or indirectly for the purchase of a specific significant business; | |  | |  | | |  | |
| (4) The disposition of a significant portion of a business (by sale, abandonment, or distribution to shareholders by means of a spin-off, split-up, or split-off) has occurred or is probable, and the disposition is not fully reflected in the financial statements of the registrant included in the filing; | |  | |  | | |  | |
| (5) [Reserved] | |  | |  | | |  | |
| (6) Pro forma financial information required by Item 914 of Regulation S-K is required in connection with a roll-up transaction as defined in S-K Item 901(c); | |  | |  | | |  | |
| (7) The registrant previously was a part of another entity and such presentation is necessary to reflect operations and financial position of the registrant as an autonomous entity; or | |  | |  | | |  | |
| (8) Consummation of other transactions has occurred or is probable for which pro forma information would be material to investors. | |  | |  | | |  | |
| b. A business acquisition or disposition of a business will be considered significant if: | |  | |  | | |  | |
| 1. The business acquisition meets: 2. the definition of significant subsidiary in Rule 1-02(w)(1), substituting 20 percent for 10 percent each place it appears therein or 3. if the business is a real estate operations as defined in Rule 3-14(a)(2), the significant subsidiary condition in Rule 1-02(w)(1)(i) (i.e., the invest test condition), substituting 20 percent for 10 percent, as modified by the guidance in Rule 3-14(b)(2)(ii). | |  | |  | | |  | |
| (2) The business disposition, including a business that is a real estate operation, meets the definition of a significant subsidiary in S-X Rule 1-02(w)(1), substituting 20% for 10% each place it appears therein. | |  | |  | | |  | |
| (3) The determination must be made, except as noted in paragraph (b)(4) of this section for the continuous offerings described therein, by using:  (i) For amounts derived from financial statements, the registrant's most recent annual consolidated financial statements required to be filed at or prior to the date of acquisition or disposition and the business’s pre-acquisition or pre-disposition financial statements for the same fiscal year as the registrant or, if the fiscal years differ, the business’s most recent fiscal year that would be required if the business had the same filer status as the registrant, however the determination may be made using: | |  | |  | | |  | |
| (A) The financial statements for the business described in Rule 3-05(e) or Rule 3-05(f) if the business meets the conditions for presenting those financial statements. | |  | |  | | |  | |
| (B) Pro forma amounts for the registrant for the periods specified in Rule 11-01(b)(3) that only depict significant business acquisitions and dispositions consummated after the latest fiscal year-end for which the registrant’s financial statements are required to be filed and only include Transaction Accounting Adjustments (see Rule 11-02(a)(6)(i)), provided that: | |  | |  | | |  | |
| (1) The registrant has filed audited financial statements for any such acquired business for the periods required by Rule 3-05 or Rule 3-14 and the pro forma financial information required by Rule 11-01 through Rule 11-02 for any such acquired or disposed business. The tests may not be made by “annualizing” data; and | |  | |  | | |  | |
| (2) If a registrant has used pro forma amounts to determine significance of an acquisition or disposition, it must continue to use pro forma amounts to determine significance of acquisitions and dispositions through the filing date of its next annual report on Form 10-K or Form 20-F; or | |  | |  | | |  | |
| (C) The registrant’s annual consolidated financial statements, for the most recent fiscal year ended prior to the acquisition or disposition, that are included in the registrant’s Form 10-K filed after the date of acquisition or disposition, but before the date financial statements and pro forma financial information for the acquisition or disposition would be required to be filed on Form 8-K. | |  | |  | | |  | |
| (ii) If the business is a related business (*see* Rule 3-05(a)(3)), combined pre-acquisition financial statements of the group of related businesses for the fiscal year specified in paragraph (b)(3)(i) of this section. | |  | |  | | |  | |
| (4) When a registrant, including a real estate investment trust, conducts a continuous offering over an extended period of time and applies the Item 20.D. Undertakings of Industry Guide 5, the income test condition does not apply, and the determination must be made for the investment test condition, when it is based on the total assets of the registrant and its subsidiaries consolidated, and the asset test condition, if applicable, using the following for the registrant: | |  | |  | | |  | |
| (i) During the distribution period, total assets as of the date of acquisition or disposition plus the proceeds (net of commissions) in good faith expected to be raised in the registered offering over the next 12 months, except that for acquisitions total assets must exclude the acquired business; and | |  | |  | | |  | |
| (ii) After the distribution period ends and until the next Form 10-K is filed, total assets as of the date of acquisition or disposition, except that for acquisitions total assets must exclude the acquired business; and | |  | |  | | |  | |
| (iii) After that next Form 10-K is filed, the guidance in paragraph (b)(3). | |  | |  | | |  | |
| c. The pro forma effects of a business acquisition need not be presented if separate financial statements of the acquired business are not included in the filing, except where the aggregate impact of businesses acquired or to be acquired is significant as determined by Rule 3-05(b)(2)(iv) or Rule 3-14(b)(2)(i)(C). | |  | |  | | |  | |
| d. The term “business” should be evaluated in light of the facts and circumstances involved, and whether there is sufficient continuity of the acquired entity’s operations prior to and after the transactions so that disclosure of prior financial information is material to an understanding of future operations. There is presumption that a separate entity, a subsidiary, or a division is a business. However, a lesser component of an entity may also constitute a business. Among the facts and circumstances that should be considered in evaluating whether an acquisition of a lesser component of an entity constitutes a business are the following: | |  | |  | | |  | |
| (1) Whether the nature of the revenue-producing activity of the component will remain generally the same as before the transaction; or | |  | |  | | |  | |
| (2) Whether any of the following attributes remain with the component after the transaction: physical facilities, employee base, market distribution system, sales force, customer base, operating rights, production techniques, or trade names. | |  | |  | | |  | |
| e. Rule 11-01 does not apply to transactions between a parent company and its totally held subsidiary. | |  | |  | | |  | |
| **Rule 11-02** — **Preparation requirements.** | |  | |  | | |  | |
| a. **Form and content.** | |  | |  | | |  | |
| (1) Pro forma financial information must consist of a pro forma condensed balance sheet, pro forma condensed statements of comprehensive income, and accompanying explanatory notes. In certain circumstances (i.e., if a limited number of pro forma adjustments are required and those adjustments are easily understood), a narrative description of the pro forma effects of the transaction may be disclosed instead of the above statements. | |  | |  | | |  | |
| (2) The pro forma financial information must be accompanied by an introductory paragraph that briefly describes each transaction for which pro forma effect is being given, the entities involved, and the periods for which the pro forma information is presented and an explanation of what the pro forma presentation shows. | |  | |  | | |  | |
| (3) The pro forma condensed financial information need only include major captions (i.e., the numbered captions) prescribed by the applicable sections of Regulation S-X. Where any major balance sheet caption is less than 10 percent of total assets, the caption may be combined with others. When any major statement of comprehensive income caption is less than 15 percent of average net income attributable to the registrant for the most recent three fiscal years, the caption may be combined with others. In calculating average net income attributable to the registrant, loss years should be excluded unless losses were incurred in each of the most recent three years, in which case the average loss shall be used for purposes of this test. Notwithstanding these tests, de minimis amounts need not be shown separately. | |  | |  | | |  | |
| (4) Pro forma statements will ordinarily be in columnar form showing condensed historical statements, pro forma adjustments, and the pro forma results. | |  | |  | | |  | |
| (5) Pro forma condensed statement of comprehensive income must disclose the income (loss) from continuing operations and income (loss) from continuing operations attributable to the controlling interest. | |  | |  | | |  | |
| (6) Pro forma condensed balance sheet and pro forma condensed statements of comprehensive income must include, and be limited to, the following pro forma adjustments, except those noted in (a)(7): | |  | |  | | |  | |
| (i) Transaction Accounting Adjustments  (A) Adjustments that depict in the pro forma condensed balance sheet the accounting for the transaction required by U.S. Generally Accepted Accounting Principles (U.S. GAAP) or, as applicable, International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS-IASB). Calculate pro forma adjustments using the measurement date and method prescribed by the applicable accounting standards. For a probable transaction, calculate pro forma adjustments using, and disclose, the most recent practicable date prior to the effective date (for registration statements), qualification date (for Regulation A offering statements), or the mail date (for proxy statements). | |  | |  | | |  | |
| (B) Adjustments that depict in the pro forma condensed statements of comprehensive income the effects of the pro forma balance sheet adjustments in paragraph (a)(6)(i)(A) of this section assuming those adjustments were made as of the beginning of the fiscal year presented. Such adjustments must be made whether or not the pro forma balance sheet is presented pursuant to paragraph (c)(1) of this section. If the condition in Rule 11-01(a) that is met does not have a balance sheet effect, then depict the accounting for the transaction. | |  | |  | | |  | |
| (ii) Autonomous Entity Adjustments. Adjustments that depict the registrant as an autonomous entity if the condition in Rule 11-01(a)(7) is met. Autonomous Entity Adjustments must be presented in a separate column from Transaction Accounting Adjustments. | |  | |  | | |  | |
| (7) ***OPTIONAL*** Management’s Adjustments. Adjustments depicting synergies and dis-synergies of the acquisitions and dispositions for which pro forma effect is being given may, in the registrant’s discretion, be presented if in its’ management’s opinion, such adjustments would enhance an understanding of the pro forma effects of the transaction and the following conditions are met:  (i) Basis for Management’s Adjustments | |  | |  | | |  | |
| (A) There is a reasonable basis for each adjustment. | |  | |  | | |  | |
| (B) The adjustments are limited to the effect of such synergies and dis-synergies on the historical financial statements that form the basis for the pro forma statement of comprehensive income as if the synergies and dis-synergies existed as of the beginning of the fiscal year presented; if such adjustments reduce expenses, the reduction must not exceed the amount of the related expense historically incurred during the pro forma period presented. | |  | |  | | |  | |
| (C) The pro forma financial information reflects all management’s adjustments that are, in the opinion of management, necessary to a fair statement of the pro forma financial information presented and a statement to that effect is disclosed; when synergies are presented, any related dis-synergies must also be presented. | |  | |  | | |  | |
| (8) All pro forma adjustments should be referenced to notes that clearly explain the assumptions involved. | |  | |  | | |  | |
| (9)  (i) Historical and pro forma basic and diluted earnings per share amounts should be presented based on continuing operations attributable to the controlling interests and the number of shares used to calculate such per share amounts must be presented on the face of the pro forma condensed statement of comprehensive income and only give effect to Transaction Accounting Adjustments and Autonomous Entity Adjustments.  (ii) The number of shares used in the calculation of the pro forma per share amounts must be based on the weighted average number of shares outstanding during the period adjusted to give effect to the number of shares issued or to be issued to consummate the transaction, or if applicable whose proceeds will be used to consummate the transaction as if the shares were outstanding at the beginning of the period presented. Calculate the pro forma effect of the potential common stock being issued in the transaction (e.g., a convertible security), or the proceeds of which will be used to consummate the transaction, on pro forma earnings per share in accordance with GAAP or IFRS-IASB, as applicable, as if the potential common stock were outstanding as of the beginning of the period presented. | |  | |  | | |  | |
| (10) If the transaction is structured in such a manner that significantly different results may occur, provide additional pro forma presentations which give effect to the range of possible results. | |  | |  | | |  | |
| (11) The accompanying explanatory notes must disclose:   1. Revenues, expenses, gains and losses and related tax effects which will not recur in the income generated beyond 12 months after the transaction. | |  | |  | | |  | |
| 1. For Transaction Accounting Adjustments:    * + 1. A table showing the total consideration transferred or received, including its components and how they were measured. If total consideration includes contingent consideration, describe the arrangement(s), the basis for determining the amount of payment(s) or receipt(s), and an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and reasons why; and   The following information when the accounting is incomplete, a registrant must disclose:   1. a prominent statement must be made to this effect. | |  | |  | | |  | |
| 1. the items for which the accounting depicted is incomplete. | |  | |  | | |  | |
| 1. a description of the information that the registrant requires, including, if material, the uncertainties affecting the pro forma financial information and the possible consequences of their resolution | |  | |  | | |  | |
| 1. an indication of when the accounting is expected to be finalized; and | |  | |  | | |  | |
| 1. other available information that will enable a reader to understand the magnitude of any potential adjustments to the measurements depicted | |  | |  | | |  | |
| 1. For each Autonomous Entity Adjustment, a description of the adjustment (including material uncertainties), the material assumptions, the calculation of the adjustment, and additional qualitative information about Autonomous Entity Adjustments, if any, necessary to give a fair and balanced presentation of the pro forma financial information. | |  | |  | | |  | |
| (12) A registrant must not:  (i) Present pro forma financial information on the face of the registrant’s historical financial statements or in the accompanying notes, except where such presentation is required by GAAP or IFRS-IASB, as applicable. | |  | |  | | |  | |
| 1. Present pro forma financial information, or summaries of such information, elsewhere in a filing that excludes material transactions for which pro forma effect is required to be given. | |  | |  | | |  | |
| (iii) Present pro forma amounts in paragraph (a)(7) of this section elsewhere in a filing without also presenting with equal or greater prominence the amounts specified in paragraph (a)(7) of this section to which they are required to be reconciled and a cross-reference to that reconciliation. | |  | |  | | |  | |
| (iv) Give pro forma effect to the registrant's adoption of an accounting standard in pro forma financial information required by Rule 11-01 through 11-03. | |  | |  | | |  | |
| (b) Implementation Guidance: | |  | |  | | |  | |
| 1. *Historical statement of comprehensive income.* The historical statements of comprehensive income used in the pro forma information must only be presented through income from continuing operations (or appropriate modification thereof). | |  | |  | | |  | |
| 2. *Business acquisitions.* In some transactions, such as in financial institution acquisitions, measuring the acquired assets at their acquisition date fair value may result in significant discounts relative to the acquired business’s historical cost of the acquired assets. When such discounts can result in a significant effect on earnings (losses) in periods immediately subsequent to the acquisition that will be progressively eliminated over a relatively short period, the effect of the discounts on reported results of operations for each of the next five years must be disclosed in a note. | |  | |  | | |  | |
| 3. *Business dispositions.* Transaction Accounting Adjustments giving effect to the disposition of a business must not decrease historically incurred compensation expense for employees who were not, or will not be, transferred or terminated as of the disposition date. | |  | |  | | |  | |
| 4. *Multiple transactions.*  (i) When consummation of more than one transaction has occurred, or is probable, the pro forma financial information must present in separate columns each transaction for which pro forma presentation is required by Rule 11-01.  (ii) If the pro forma financial information is presented in a proxy or information statement for purposes of obtaining shareholder approval of one of the transactions, the effects of that transaction must be clearly set forth. | |  | |  | | |  | |
| 5. *Tax effects.*  (i) Tax effects, if any, of pro forma adjustments normally should be calculated at the statutory rate in effect during the periods for which pro forma condensed statements of comprehensive income are presented and should be reflected as a separate pro forma adjustment. | |  | |  | | |  | |
| (ii) When the registrant's historical statements of comprehensive income do not reflect the tax provision on the separate return basis, pro forma statements of comprehensive income adjustments must reflect a tax provision calculated on the separate return basis. | |  | |  | | |  | |
| c. **Periods to be presented.** | |  | |  | | |  | |
| (1) A pro forma condensed balance sheet as of the end of the most recent period for which a consolidated balance sheet of the registrant is required by Rule 3-01 must be filed, unless the transaction is already reflected in such balance sheet. | |  | |  | | |  | |
| (2)  (i) Pro forma condensed statements of comprehensive income must be filed for only the most recent fiscal year, except as noted in C(2)(ii) below, and for the period from the most recent fiscal year end to the most recent interim date for which a balance sheet is required. A pro forma condensed statement of comprehensive income may be filed for the corresponding interim period of the preceding fiscal year. A pro forma condensed statement of comprehensive income must not be filed if the historical statement of comprehensive income reflects the transaction for the entire period. | |  | |  | | |  | |
| (ii) For transactions required to be accounted for under U.S. GAAP or, as applicable, IFRS-IASB by retrospectively revising the historical statements of comprehensive income (e.g., combination of entities under common control and discontinued operations), pro forma statements of comprehensive income must be filed for all periods for which historical financial statements of the registrant are required. Retrospective revisions stemming from the registrant's adoption of a new accounting principle must not be reflected in pro forma statements of comprehensive income until they are depicted in the registrant's historical financial statements. | |  | |  | | |  | |
| (3) Pro forma condensed statements of comprehensive income must be presented using the registrant's fiscal year end. If the most recent fiscal year end of any other entity involved in the transaction differs from the registrant's most recent fiscal year end by more than one fiscal quarter, the other entity's statement of comprehensive income must be brought up to within one fiscal quarter of the registrant's most recent fiscal year end, if practicable. This updating could be accomplished by adding subsequent interim period results to the most recent fiscal year end information and deducting the comparable preceding year interim period results. Disclosure must be made of the periods combined and of the sales or revenues and income for any periods which were excluded from or included more than once in the condensed pro forma statement of comprehensive income (e.g., an interim period that is included both as part of the fiscal year and the subsequent interim period). | |  | |  | | |  | |
| In circumstances in which different fiscal year ends exist, Rule 3-12 may require a registrant to include in the pro forma financial information an acquired or to be acquired foreign business historical period that would be more current than the periods included in the required historical financial statements of the foreign business. | |  | |  | | |  | |
| (4) Whenever unusual events enter into the results shown for the latest year, the effect of such unusual events should be disclosed and consideration should be given to presenting a pro forma condensed statement of comprehensive income for the most recent 12-month period in addition to those required in Rule 11-02(c)(2)(i), if the most recent 12-month period is more representative of normal operations. | |  | |  | | |  | |
| **Rule 11-03** — **Presentation of financial forecast.** | |  | |  | | |  | |
| a. A financial forecast may be filed in lieu of the pro forma condensed statements of comprehensive income required by Rule 11-02(a)(1). | |  | |  | | |  | |
| (1) The financial forecast should cover a period of at least 12 months from the latest of (i) the most recent balance sheet included in the filing, or (ii) the consummation date or estimated consummation date of the transaction. | |  | |  | | |  | |
| (2) The forecasted statement of comprehensive income should be presented in the same degree of detail as the pro forma condensed statement of comprehensive income required by Rule 11-02(a)(3). | |  | |  | | |  | |
| (3) Assumptions particularly relevant to the transaction and their effects should be clearly stated. | |  | |  | | |  | |
| (4) Historical condensed financial information of the registrant and the business acquired or to be acquired, if any, should be presented for at least a recent 12-month period in parallel columns with the financial forecast. | |  | |  | | |  | |
| b. Such financial forecast should be presented in accordance with the guidelines established by the AICPA. | |  | |  | | |  | |
| c. Forecasted EPS data should be substituted for pro forma EPS data. | |  | |  | | |  | |
| d. Rule 11-03 does not permit the filing of a financial forecast in lieu of any pro forma information required by GAAP or IFRS-IASB. | |  | |  | | |  | |
| *Note: Preparation and inclusion of financial forecast in SEC filings is rare.* | |  | |  | | |  | |
| **ARTICLE 12. FORM AND CONTENT OF SCHEDULES (see Rule 5-04)** | |  | |  | | |  | |
| **ARTICLE 13. FINANCIAL AND NON-FINANCIAL DISCLOSURES FOR CERTAIN SECURITIES REGISTERED OR BEING REGISTERED (see Rule 3-10)** | |  | |  | | |  | |
| **Rule 13-01 – Guarantors and issuers of guaranteed securities registered or being registered**   1. For each guaranteed security subject to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and for each guaranteed security the offer and sale of which is being registered under the Securities Act of 1933, for which the registrant is the parent company (as that term is defined in Rule 3-10(b)(1)) of one or more subsidiaries that issue or guarantee the guaranteed security, provide the following disclosures to the extent material: | |  | |  | | |  | |
| 1. A description of the issuers and guarantors of the guaranteed security; | |  | |  | | |  | |
| 1. A description of the terms and conditions of the guarantees, and how payments to holders of the guaranteed security may be affected by the composition of and relationships among the issuers, guarantors, and subsidiaries of the parent company that are not issuers or guarantors of the guaranteed security; | |  | |  | | |  | |
| 1. A description of other factors that may affect payments to holders of the guaranteed security, such as contractual or statutory restrictions on dividends, guarantee enforceability, or the rights of a noncontrolling interest holder; | |  | |  | | |  | |
| 1. Summarized financial information as specified in Rule 1-02(bb)(1) of each issuer and guarantor of the guaranteed security as follows, with an accompanying note that briefly describes the basis of presentation: | |  | |  | | |  | |
| (i) The summarized financial information of each such issuer and guarantor consolidated in the parent company’s consolidated financial statements may be presented on a combined basis with the summarized financial information of the parent company; | |  | |  | | |  | |
| (ii) Intercompany balances and transactions between issuers and guarantors whose summarized financial information is presented on a combined basis shall be eliminated; | |  | |  | | |  | |
| (iii) The summarized financial information shall exclude subsidiaries that are not issuers or guarantors. An issuer’s or guarantor’s investment in a subsidiary that is not an issuer or guarantor shall not be presented. An issuer’s or guarantor’s amounts due from, amounts due to, and transactions with any of the following shall be presented in separate line items: | |  | |  | | |  | |
| (A) Subsidiaries that are not issuers or guarantors; and | |  | |  | | |  | |
| (B) Related parties; | |  | |  | | |  | |
| (iv) If the information provided in response to the requirements of this section (e.g., factors that may affect payments to holders of the guaranteed security) is applicable to one or more, but not all, issuers and/or guarantors, separately disclose the summarized financial information applicable to those issuers and/or guarantors. In limited circumstances (i.e., where the separate financial information applicable to those issuers and/or guarantors can be easily explained and understood), narrative disclosure may be provided in lieu of the separate summarized financial information otherwise required by this paragraph (a)(4)(iv); | |  | |  | | |  | |
| * + 1. Disclose this summarized financial information as of and for the most recently ended fiscal year and year-to-date interim period included in the parent company’s consolidated financial statements; and | |  | |  | | |  | |
| * + 1. Notwithstanding that a parent company may omit this summarized financial information if not material, it may also be omitted if one of the following in paragraphs (a)(4)(vi)(A) through (D) of this section is true and disclosed. However, paragraph (a)(4)(vi)(A) does not apply if separate disclosure of summarized financial information applicable to one or more, but not all, issuers and/or guarantors is required by paragraph (a)(4)(iv) of this section. For the purposes of this section, a finance subsidiary is a subsidiary that has no assets or operations other than those related to the issuance, administration and repayment of the security being registered and any other securities guaranteed by its parent company: | |  | |  | | |  | |
| * + - 1. The assets, liabilities, and results of operations of the combined issuers and guarantors of the guaranteed security are not materially different than corresponding amounts presented in the consolidated financial statements of the parent company; | |  | |  | | |  | |
| * + - 1. The combined issuers and guarantors, excluding investments in subsidiaries that are not issuers or guarantors, have no material assets, liabilities or results of operations; | |  | |  | | |  | |
| * + - 1. The issuer is a finance subsidiary of the parent company, the parent company has fully and unconditionally guaranteed the security, and no other subsidiary of the parent company guarantees the security; or | |  | |  | | |  | |
| * + - 1. The issuer is a finance subsidiary that co-issued the security, jointly and severally, with the parent company, and no other subsidiary of the parent company guarantees the security; | |  | |  | | |  | |
| 1. In a Securities Act registration statement filed in connection with the offer and sale of the guaranteed security, if the parent company acquired a significant business after the date of the parent company’s most recent balance sheet included in its consolidated financial statements and the acquired business, one or more of the acquired business’s subsidiaries, or the acquired business and one or more of its subsidiaries are issuers or guarantors of the guaranteed securities, disclose pre-acquisition summarized financial information as specified in paragraph (a)(4) of this section for each such issuer or guarantor. The acquired business is significant if it meets any of the conditions specified in the definition of significant subsidiary in Rule 1-02(w), substituting 20 percent for 10 percent each place it appears therein, based on a comparison of the most recent annual financial statements of the acquired business and the parent company’s most recent annual consolidated financial statements filed at or prior to the date of acquisition. The determination of whether a business has been acquired shall be made in accordance with the guidance set forth in Rule 11-01(d). Acquisitions of a group of related businesses shall be treated as if they are a single business acquisition for purposes of this comparison. The determination of whether a group of businesses are related shall be made in a manner consistent with Rule 3-05(a)(3); | |  | |  | | |  | |
| 1. Any financial and narrative information about each guarantor if the information would be material for investors to evaluate the sufficiency of the guarantee; and | |  | |  | | |  | |
| 1. Sufficient information so as to make the financial and non-financial information presented not misleading. | |  | |  | | |  | |
| 1. The parent company may elect to provide the disclosures required by this section in a footnote to its consolidated financial statements or alternatively, in management’s discussion and analysis of financial condition and results of operations described in Item 303 of Regulation S-K. If not otherwise included in the consolidated financial statements or in management’s discussion and analysis of financial condition and results of operations, the parent company must include the disclosures in its prospectus immediately following “Risk Factors,” if any, or otherwise, immediately following pricing information described in Item 105 of Regulation S-K. | |  | |  | | |  | |
| **Rule 13-02 – Affiliates whose securities collateralize securities registered or being registered.**   1. For each security subject to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and for each security the offer and sale of which is being registered under the Securities Act of 1933, that is collateralized by a security of the registrant’s affiliate or affiliates, provide the following disclosures to the extent material: | |  | |  | | |  | |
| 1. A description of the securities pledged as collateral and the affiliates whose securities are pledged as collateral; | |  | |  | | |  | |
| 1. A description of the terms and conditions of the collateral arrangement, including the events or circumstances that would require delivery of the collateral; | |  | |  | | |  | |
| 1. A description of the trading market for the affiliate’s security pledged as collateral or a statement that there is no market; | |  | |  | | |  | |
| 1. Summarized financial information as specified in § 210.1-02(bb)(1) of each affiliate whose securities are pledged as collateral as follows, with an accompanying note that briefly describes the basis of presentation: | |  | |  | | |  | |
| 1. The summarized financial information of each such affiliate consolidated in the registrant’s financial statements may be presented on a combined basis; | |  | |  | | |  | |
| 1. Intercompany balances and transactions between affiliates whose summarized financial information is presented on a combined basis shall be eliminated; | |  | |  | | |  | |
| 1. An affiliate’s amounts due from, amounts due to, and transactions with any of the following shall be presented in separate line items: (A) the registrant; (B) Any of the registrant’s subsidiaries not included in the summarized financial information of the affiliate(s); and (C) related parties. | |  | |  | | |  | |
| 1. If the information provided in response to the requirements of this section (e.g., the trading market for the affiliate’s security pledged as collateral or a statement that there is no market) is applicable to one or more, but not all, affiliates, separately disclose the summarized financial information applicable to those affiliates. In limited circumstances (i.e., where the separate financial information applicable to those affiliates can be easily explained and understood), narrative disclosure may be provided in lieu of the separate summarized financial information otherwise required by this paragraph; | |  | |  | | |  | |
| 1. Disclose this summarized financial information as of and for the most recently ended fiscal year and year-to-date interim period included in the registrant’s consolidated financial statements; and | |  | |  | | |  | |
| 1. Notwithstanding that a registrant may omit this summarized financial information if not material, it may also be omitted if one of the following in paragraph (a)(4)(vi)(A) or (B) of this section is true and disclosed. However, paragraph (a)(4)(vi)(A) does not apply if separate disclosure of summarized financial information applicable to one or more, but not all, affiliates is required by paragraph (a)(4)(iv) of this section. | |  | |  | | |  | |
| 1. The assets, liabilities, and results of operations of the combined affiliates whose securities are pledged as collateral are not materially different than the corresponding amounts presented in the consolidated financial statements of the registrant; or | |  | |  | | |  | |
| 1. The combined affiliates whose securities are pledged as collateral have no material assets, liabilities or results of operations. | |  | |  | | |  | |
| 1. In a Securities Act registration statement filed in connection with the offer and sale of the collateralized security, if the registrant acquired a significant business after the date of the registrant’s most recent balance sheet included in its consolidated financial statements and the acquired business, one or more of the acquired business’s subsidiaries, or the acquired business and one or more of its subsidiaries are affiliates whose securities collateralize the registrant’s collateralized security, disclose pre-acquisition summarized financial information as specified in paragraph (a)(4) of this section for each such affiliate. The acquired business is significant if it meets any of the conditions specified in the definition of significant subsidiary in S-X Rule 1-02(w), substituting 20 percent for 10 percent each place it appears therein, based on a comparison of the most recent annual financial statements of the acquired business and the registrant’s most recent annual consolidated financial statements filed at or prior to the date of acquisition. The determination of whether a business has been acquired shall be made in accordance with the guidance set forth in S-X Rule 11-01(d). Acquisitions of a group of related businesses shall be treated as if they are a single business acquisition for purposes of this comparison. The determination of whether a group of businesses are related shall be made in a manner consistent with S-X Rule 3-05(a)(3); | |  | |  | | |  | |
| 1. Any financial and narrative information about each such affiliate if the information would be material for investors to evaluate the pledge of the affiliate’s securities as collateral; and | |  | |  | | |  | |
| 1. Sufficient information so as to make the financial and non-financial information presented not misleading. | |  | |  | | |  | |
| 1. The registrant may elect to provide the disclosures required by this section in a footnote to its consolidated financial statements or alternatively, in management’s discussion and analysis of financial condition and results of operations described in Item 303 of Regulation S-K. If not otherwise included in the consolidated financial statements or in management’s discussion and analysis of financial condition and results of operations, the parent company must include the disclosures in its prospectus immediately following “Risk Factors,” if any, or otherwise, immediately following pricing information described in Item 105 of Regulation S-K. | |  | |  | | |  | |
| PART II. REGULATION S-K | |  | |  | | |  | |
| **Note: This is not a complete list of the requirements of Regulation S-K, but rather certain more relevant financial related disclosures. This checklist should not be used as a substitute for a full understanding of the filing requirements applicable to a specific registrant or filing.** | |  | |  | | |  | |
| Item 10. General. | |  | |  | | |  | |
| The SEC encourages the use of management’s projections of future economic performance that have a reasonable basis and are in an appropriate format. | |  | |  | | |  | |
| Registrants may disclose, in registration statements, and periodic reports, ratings assigned by rating organizations to classes of debt securities, convertible debt securities, and preferred stock. See guidance in paragraph (c) of S-K Item 10.  Please note that the Regulation S-K requirements do not apply to a Foreign Private Issuer filing on Form 20-F. Thus for a Foreign Private Issuer filing IFRS (issued by IASB) financial statements, please refer to *SEC Compliance Checklist for Annual Report or Registration Statement or Transition Statement on SEC Form 20-F*. | |  | |  | | |  | |
| (e) *Use of non-GAAP financial measures in Commission filings.*  (1) Whenever one or more non-GAAP financial measures are included in a filing with the Commission:  (i) The registrant must include the following in the filing: | |  | |  | | |  | |
| (A) A presentation, with equal or greater prominence, of the most directly comparable financial measure or measures calculated and presented in accordance with Generally Accepted Accounting Principles (GAAP); | |  | |  | | |  | |
| (B) A reconciliation (by schedule or other clearly understandable method), which shall be quantitative for historical non-GAAP measures presented, and quantitative, to the extent available without unreasonable efforts, for forward-looking information, of the differences between the non-GAAP financial measure disclosed or released with the most directly comparable financial measure or measures calculated and presented in accordance with GAAP identified in paragraph (e)(1)(i)(A) of this section; | |  | |  | | |  | |
| (C) A statement disclosing the reasons why the registrant's management believes that presentation of the non-GAAP financial measure provides useful information to investors regarding the registrant's financial condition and results of operations; and | |  | |  | | |  | |
| (D) To the extent material, a statement disclosing the additional purposes, if any, for which the registrant's management uses the non-GAAP financial measure that are not disclosed pursuant to paragraph (e)(1)(i)(C) of this section; and | |  | |  | | |  | |
| (ii) A registrant must not: | |  | |  | | |  | |
| (A) Exclude charges or liabilities that required, or will require, cash settlement, or would have required cash settlement absent an ability to settle in another manner, from non-GAAP liquidity measures, other than the measures earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation, and amortization (EBITDA); | |  | |  | | |  | |
| (B) Adjust a non-GAAP performance measure to eliminate or smooth items identified as non-recurring, infrequent or unusual, when the nature of the charge or gain is such that it is reasonably likely to recur within two years or there was a similar charge or gain within the prior two years; | |  | |  | | |  | |
| (C) Present non-GAAP financial measures on the face of the registrant's financial statements prepared in accordance with GAAP or in the accompanying notes; | |  | |  | | |  | |
| (D) Present non-GAAP financial measures on the face of any *pro forma* financial information required to be disclosed by Article 11 of Regulation S-X (Rule 11-01 through 11-03); or | |  | |  | | |  | |
| (E) Use titles or descriptions of non-GAAP financial measures that are the same as, or confusingly similar to, titles or descriptions used for GAAP financial measures; and | |  | |  | | |  | |
| (iii) If the filing is not an annual report on Form 10-K or Form 20-F, a registrant need not include the information required by paragraphs (e)(1)(i)(C) and (e)(1)(i)(D) of this section if that information was included in its most recent annual report on Form 10-K or Form 20-F or a more recent filing, provided that the required information is updated to the extent necessary to meet the requirements of paragraphs (e)(1)(i)(C) and (e)(1)(i)(D) of this section at the time of the registrant's current filing. | |  | |  | | |  | |
| (2) For purposes of this paragraph (e), a non-GAAP financial measure is a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that:  (i) Excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or( | |  | |  | | |  | |
| (ii) Includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. | |  | |  | | |  | |
| (3) For purposes of this paragraph (e), GAAP refers to generally accepted accounting principles in the United States, except that:  (i) In the case of foreign private issuers whose primary financial statements are prepared in accordance with non-U.S. generally accepted accounting principles, GAAP refers to the principles under which those primary financial statements are prepared; and | |  | |  | | |  | |
| (ii) In the case of foreign private issuers that include a non-GAAP financial measure derived from or based on a measure calculated in accordance with U.S. generally accepted accounting principles, GAAP refers to U.S. generally accepted accounting principles for purposes of the application of the requirements of this paragraph (e) to the disclosure of that measure. | |  | |  | | |  | |
| (4) For purposes of this paragraph (e), non-GAAP financial measures exclude:  (i) Operating and other statistical measures; and | |  | |  | | |  | |
| (ii) Ratios or statistical measures calculated using exclusively one or both of: | |  | |  | | |  | |
| (A) Financial measures calculated in accordance with GAAP; and | |  | |  | | |  | |
| (B) Operating measures or other measures that are not non-GAAP financial measures. | |  | |  | | |  | |
| (5) For purposes of this paragraph (e), non-GAAP financial measures exclude financial measures required to be disclosed by GAAP, Commission rules, or a system of regulation of a government or governmental authority or self-regulatory organization that is applicable to the registrant. However, the financial measure should be presented outside of the financial statements unless the financial measure is required or expressly permitted by the standard-setter that is responsible for establishing the GAAP used in such financial statements. | |  | |  | | |  | |
| (6) The requirements of paragraph (e) of this section shall not apply to a non-GAAP financial measure included in disclosure relating to a proposed business combination, the entity resulting therefrom or an entity that is a party thereto, if the disclosure is contained in a communication that is subject to § 230.425 of this chapter, § 240.14a-12 or § 240.14d-2(b)(2) of this chapter or § 229.1015 of this chapter. | |  | |  | | |  | |
| (7) The requirements of paragraph (e) of this section shall not apply to investment companies registered under section 8 of the Investment Company Act of 1940. | |  | |  | | |  | |
| Item 101. Description of Business  **Item 101(a) General development of business**  Regulation S-K, Item 101(a), General Development of Business. Describe the general development of the business of the registrant, its subsidiaries, and predecessor(s). | |  | |  | | |  | |
| 1. In describing the developments, only information material to an understanding of the general development of the business is required. Disclosure may include, but should not be limited, to the following topics: | |  | |  | | |  | |
| (i) Any material changes to a previously disclosed business strategy. | |  | |  | | |  | |
| (ii) The nature and effects of any material bankruptcy, receivership or similar proceedings with respect to the registrant or any of its significant subsidiaries. | |  | |  | | |  | |
| (iii) The nature and effects of any other material reclassification, merger or consolidation of the registrant or any of its significant subsidiaries. | |  | |  | | |  | |
| (iv) The acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business. | |  | |  | | |  | |
| 1. Notwithstanding the provisions of § 230.411(b) or § 240.12b-23(a) of this chapter, as applicable, a registrant may only forgo providing a full discussion of the general development of its business for a filing other than an initial registration statement if it provides an update to the general development of its business, disclosing all of the material developments that have occurred since the most recent registration statement or report that includes a full discussion of the general development of its business. In addition, the registrant must incorporate by reference, and include one active hyperlink to one registration statement or report that includes, the full discussion of the general development of registrant's business. | |  | |  | | |  | |
| **Item 101(b) [Reserved]**  **Item 101(c) Description of business** | |  | |  | | |  | |
| (1) Describe the business done and intended to be done by the registrant and its subsidiaries, focusing upon the registrant's dominant segment or each reportable segment about which financial information is presented in the financial statements. When describing each segment, only information material to an understanding of the business taken as a whole is required. Disclosure may include, but should not be limited to, the information specified in paragraphs (c)(1)(i) through (v) of this section.  (i) Revenue-generating activities, products or services (or both), and any dependence on revenue-generating activities, and key products, services, or product families or customers, including governmental customers; | |  | |  | | |  | |
| (ii) Status of development efforts for new or enhanced products, trends in market demand, and competitive conditions. | |  | |  | | |  | |
| (iii) Resources material to a registrant’s business, such as: (A) sources and availability of raw materials; and (B) the duration and effect of all patents, trademarks, licenses, franchises, and concessions); and | |  | |  | | |  | |
| (iv) Description of any material portion of the business that may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government. | |  | |  | | |  | |
| (v) Extent to which the business is or may be seasonal. | |  | |  | | |  | |
| 1. *Discuss the information specified in paragraphs (c)(2)(i) and (ii) of this section with respect to, and to the extent material to an understanding of, the registrant's business taken as a whole, except that, if the information is material to a particular segment, you should additionally identify that segment.*   (i) Material effects that compliance with government regulations, including environmental regulations, may have on the capital expenditures, earnings, and competitive position of the registrant and its subsidiaries, including estimated capital expenditures for environmental control facilities for the current fiscal year and any other material subsequent period; and | |  | |  | | |  | |
| (ii) Description of the registrant’s human capital resources, including the number of persons it employs, and any human capital measures or objectives that the registrant focuses on in managing the business (such as depending on the nature of the registrant’s business and workforce, measures or objectives that address the development, attraction and retention of personnel). | |  | |  | | |  | |
| ITEM 105 — Risk factors | |  | |  | | |  | |
| (a) Where appropriate, provide under the caption “Risk Factors” a discussion of the material factors that make an investment in the registrant or offering speculative or risky. This discussion must be organized logically with relevant headings and each risk factor should be set forth under a subcaption that adequately describes the risk. The presentation of risks that could apply generically to any registrant or any offering is discouraged, but to the extent generic risk factors are presented, disclose them at the end of the risk factor section under the caption “General Risk Factors.” | |  | |  | | |  | |
| (b) Concisely explain how each risk affects the registrant or the securities being offered. If the discussion is longer than 15 pages, include in the forepart of the prospectus or annual report, as applicable, a series of concise, bulleted or numbered statements that is no more than two pages summarizing the principal factors that make an investment in the registrant or offering speculative or risky. If the risk factor discussion is included in a registration statement, it must immediately follow the summary section required by Item 503 of Regulation S-K. If you do not include a summary section, the risk factor section must immediately follow the cover page of the prospectus or the pricing information section that immediately follows the cover page. Pricing information means price and price-related information that you may omit from the prospectus in an effective registration statement based on Rule 430A. The registrant must furnish this information in plain English. | |  | |  | | |  | |
| ITEM 201. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS  Item 201(a) - Market information | |  | |  | | |  | |
| (i) Identify the principal United States market(s) and the corresponding trading symbol(s) for each class of the registrant’s common equity. In the case of foreign registrants, also identify the principal foreign public trading market(s), if any, and the corresponding trading symbol(s) for each class of the registrant’s common equity. | |  | |  | | |  | |
| (ii) If the principal United States market for such common equity is not an exchange, indicate, as applicable, that such any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission and may not necessarily represent actual transactions. | |  | |  | | |  | |
| (iii) Where there is no established public trading market for a class of common equity, furnish a statement to that effect and, if applicable, state the range of high and low bid information for each full quarterly period within the two most recent fiscal years and any subsequent interim period for which financial statements are included, or are required to be included by 17 CFR 210.3-01 through 210.3-20 (Article 3 of Regulation S-X), indicating the source of such quotations. Reference to quotations shall be qualified by appropriate explanation. For purposes of this Item, the existence of limited or sporadic quotations should not of itself be deemed to constitute an “established public trading market.” | |  | |  | | |  | |
| (iv) Where a foreign registrant has identified a principal established foreign trading market for its common equity pursuant to paragraph (a)(1) of this Item, also provide market price information comparable, to the extent practicable, to that required for the principal United States market, including the source of such information. Such prices shall be stated in the currency in which they are quoted. The registrant may translate such prices into United States currency at the currency exchange rate in effect on the date the price disclosed was reported on the foreign exchange. If the primary United States market for the registrant's common equity trades using American Depositary Receipts, the United States prices disclosed shall be on that basis. | |  | |  | | |  | |
| (v) If the information called for by this Item is being presented in a registration statement filed pursuant to the Securities Act or a proxy or information statement filed pursuant to the Exchange Act, the document also shall include price information as of the latest practicable date, and, in the case of securities to be issued in connection with an acquisition, business combination or other reorganization, as of the date immediately prior to the public announcement of such transaction. | |  | |  | | |  | |
| Item 201(b) Holders.  Approximate number of holders of each class of common equity of the registrant as of the latest practicable date (identifying the method of computation — e.g., number of record holders). If the information called for by this Item is being presented in a registration statement filed pursuant to the Securities Act or a proxy or information statement filed pursuant to the Exchange Act, the document also shall include price information as of the latest practicable date, and, in the case of securities to be issued in connection with an acquisition, business combination or other reorganization, as of the date immediately prior to the public announcement of such transaction. | |  | |  | | |  | |
| Item 201(c) Dividends.  Where registrants have a record of paying no cash dividends although earnings indicate an ability to do so, they are encouraged to consider the question of their intention to pay cash dividends in the foreseeable future and, if no such intention exists, to make a statement of that fact in the filing. Registrants which have a history of paying cash dividends also are encouraged to indicate whether they currently expect that comparable cash dividends will continue to be paid in the future and, if not, the nature of the change in the amount or rate of cash dividend payments. | |  | |  | | |  | |
| **Item 201(d). Securities authorized for issuance under equity compensation plans** | |  | |  | | |  | |
| (1) In a tabular format, provide the information described below as of the end of the most recently completed fiscal year with respect to compensation plans (including individual compensations arrangements) under which equity securities of the registrant are authorized for issuance, aggregated as follows:  (i) All compensation plans previously approved by security holders; and  (ii) All compensation plans not previously approved by security holders. | |  | |  | | |  | |
| (2) The table should include the following information as of the end of the most recently completed fiscal year for each category of equity compensation plan described:  (i) The number of securities to be issued upon the exercise of outstanding options, warrants, and rights  (ii) The weighted average exercise price of the outstanding options, warrants, and rights disclosed  (iii) Other than securities to be issued upon the exercise of the outstanding options, warrants, and rights disclosed, the number of securities remaining available for future issuance under the plan. | |  | |  | | |  | |
| (3) For each compensation plan under which equity securities of the registrant are authorized for issuance that was adopted without the approval of security holders, describe briefly, in narrative form, the material features of the plan. | |  | |  | | |  | |
| **Item 301 —[Removed and Reserved]** | |  | |  | | |  | |
| Item 302 – Supplementary Financial Information  Item 302(a) — Disclosure of Material Quarterly Changes. When there are one or more retrospective changes to the statements of comprehensive income for any of the quarters within the two most recent fiscal years or any subsequent interim period for which financial statements are included or are required to be included by Rule 3-01 through Rule 3-20 of Regulation S-X that individually or in the aggregate are material: | |  | |  | | |  | |
| (a) provide an explanation of the reasons for such material changes and | |  | |  | | |  | |
| (b) disclose, for each affected quarterly period and the fourth quarter in the affected year: | |  | |  | | |  | |
| (i) summarized financial information related to the statements of comprehensive income as specified in Rule 1-02(bb)(1)(ii) of Regulation S-X and | |  | |  | | |  | |
| (ii) earnings per share reflecting such changes. | |  | |  | | |  | |
| Note — Material retrospective changes may include, for example, a change in accounting principle in accordance with ASC 250 or a disposition of a business that is accounted for as a discontinued operation in accordance with ASC 205-20. | |  | |  | | |  | |
| The summarized financial information related to the statements of comprehensive income specified in Rule 1-02(bb)(1)(ii) of Regulation S-X are: | |  | |  | | |  | |
| (a) Net sales or gross revenues | |  | |  | | |  | |
| (b) Gross profit (or, alternatively, costs and expenses applicable to net sales or gross revenues) | |  | |  | | |  | |
| (c) Income or loss from continuing operations | |  | |  | | |  | |
| (d) Net income or loss | |  | |  | | |  | |
| (e) Net income or loss attributable to the entity | |  | |  | | |  | |
| 1. If the financial statements to which this information relates have been reported on by an accountant, appropriate professional standards and procedures, as enumerated in Auditing Standards issued by the Public Company Accounting Oversight Board (“PCAOB”), shall be followed by the reporting accountant with regard to the disclosure required by this paragraph (a). | |  | |  | | |  | |
| 2. This paragraph (a) applies to any registrant, except a foreign private issuer, that has securities registered pursuant to sections 12(b) (15 U.S.C. 78l(b)) (other than mutual life insurance companies) or 12(g) of the Exchange Act (15 U.S.C. 78l(g)) after the registrant's initial registration of securities under these sections. | |  | |  | | |  | |
| Item 302(b) — Information About Oil And Gas Producing Activities. | |  | |  | | |  | |
| See Rule 4-10. Also see FRR Section 406, SAB Topic 12 and the *SEC Compliance Checklist — Supplement for Oil and Gas Producing Activities*. | |  | |  | | |  | |
| **I****tem 303 — Management’s Discussion and Analysis of Financial Condition and Results of Operations.** | |  | |  | | |  | |
| *Objective.* The objective of the discussion and analysis is to provide material information relevant to an assessment of the financial condition and results of operations of the registrant including an evaluation of the amounts and certainty of cash flows from operations and from outside sources. The discussion and analysis must focus specifically on material events and uncertainties known to management that are reasonably likely to cause reported financial information not to be necessarily indicative of future operating results or of future financial condition. This includes descriptions and amounts of matters that have had a material impact on reported operations, as well as matters that are reasonably likely based on management's assessment to have a material impact on future operations. The discussion and analysis must be of the financial statements and other statistical data that the registrant believes will enhance a reader's understanding of the registrant's financial condition, cash flows and other changes in financial condition and results of operations. A discussion and analysis that meets the requirements of this paragraph (a) is expected to better allow investors to view the registrant from management's perspective. | |  | |  | | |  | |
| *Full fiscal years.* The discussion of financial condition, changes in financial condition and results of operations must provide information as specified in paragraphs Regulation S-K Item 303(b)(1) through (3) and such other information that the registrant believes to be necessary to an understanding of its financial condition, changes in financial condition and results of operations. Where the financial statements reflect material changes from period-to-period in one or more line items, including where material changes within a line item offset one another, describe the underlying reasons for these material changes in quantitative and qualitative terms. Where in the registrant's judgment a discussion of segment information and/or of other subdivisions (e.g., geographic areas, product lines) of the registrant's business would be necessary to an understanding of such business, the discussion must focus on each relevant reportable segment and/or other subdivision of the business and on the registrant as a whole.  (1) *Liquidity and Capital Resources*. — Analyze the registrant's ability to generate and obtain adequate amounts of cash to meet its requirements and its plans for cash in the short-term (i.e., the next 12 months from the most recent fiscal period end required to be presented) and separately in the long-term (i.e., beyond the next 12 months). The discussion should analyze material cash requirements from known contractual and other obligations. Such disclosures must specify the type of obligation and the relevant time period for the related cash requirements. As part of this analysis, provide the information in Regulation S-K Item 303(b)(1)(i) and (ii). | |  | |  | | |  | |
| * 1. *Liquidity*. Identify any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. If a material deficiency is identified, indicate the course of action that the registrant has taken or proposes to take to remedy the deficiency. Also identify and separately describe internal and external sources of liquidity, and briefly discuss any material unused sources of liquid assets | |  | |  | | |  | |
| (ii) *Capital resources* | |  | |  | | |  | |
| (A) *Describe the registrant's material cash requirements, including commitments for capital expenditures, as of the end of the latest fiscal period, the anticipated source of funds needed to satisfy such cash requirements and the general purpose of such requirements.* | |  | |  | | |  | |
| (B) *Describe any known material trends, favorable or unfavorable, in the registrant's capital resources. Indicate any reasonably likely material changes in the mix and relative cost of such resources. The discussion must consider changes among equity, debt, and any off-balance sheet financing arrangements.* | |  | |  | | |  | |
| (2) *Results of Operations —*   1. Describe any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, indicate the extent to which income was so affected. In addition, describe any other significant components of revenues or expenses that, in the registrant's judgment, would be material to an understanding of the registrant's results of operations. | |  | |  | | |  | |
| 1. Describe any known trends or uncertainties that have had or that are reasonably likely to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. If the registrant knows of events that are reasonably likely to cause a material change in the relationship between costs and revenues (such as known or reasonably likely future increases in costs of labor or materials or price increases or inventory adjustments), the change in the relationship must be disclosed. | |  | |  | | |  | |
| 1. If the statement of comprehensive income presents material changes from period to period in net sales or revenue, if applicable, describe the extent to which such changes are attributable to changes in prices or to changes in the volume or amount of goods or services being sold or to the introduction of new products or services. | |  | |  | | |  | |
| * 1. *Critical Accounting Estimates*. Critical accounting estimates are those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant.   Provide qualitative and quantitative information necessary to understand the estimation uncertainty and the impact the critical accounting estimate has had or is reasonably likely to have on financial condition or results of operations to the extent the information is material and reasonably available.  This information should include:   * Why each critical accounting estimate is subject to uncertainty and,. | |  | |  | | |  | |
| * To the extent the information is material and reasonably available, how much each estimate and/or assumption has changed over a relevant period, and | |  | |  | | |  | |
| * The sensitivity of the reported amount to the methods, assumptions and estimates underlying its calculation. | |  | |  | | |  | |
| Instructions to paragraph (b):  1. Generally, the discussion must cover the periods covered by the financial statements included in the filing and the registrant may use any presentation that in the registrant's judgment enhances a reader's understanding. | |  | |  | | |  | |
| A smaller reporting company's discussion must cover the two-year period required in Rule 8-01 through 210.8-08 of Article 8 of Regulation S-X and may use any presentation that in the registrant's judgment enhances a reader's understanding. | |  | |  | | |  | |
| For registrants providing financial statements covering three years in a filing, discussion about the earliest of the three years may be omitted if such discussion was already included in the registrant's prior filings on EDGAR that required disclosure in compliance with Item 303 of Regulation S-K, provided that registrants electing not to include a discussion of the earliest year must include a statement that identifies the location in the prior filing where the omitted discussion may be found. | |  | |  | | |  | |
| An emerging growth company, as defined in Rule 405 of the Securities Act or Rule 12b-2 of the Exchange Act, may provide the discussion required in paragraph (b) of this section for its two most recent fiscal years if, pursuant to Section 7(a) of the Securities Act of 1933 (15 U.S.C. 77g(a)), it provides audited financial statements for two years in a Securities Act registration statement for the initial public offering of the emerging growth company's common equity securities. | |  | |  | | |  | |
| 2. If the reasons underlying a material change in one line item in the financial statements also relate to other line items, no repetition of such reasons in the discussion is required and a line-by-line analysis of the financial statements as a whole is neither required nor generally appropriate. Registrants need not recite the amounts of changes from period to period if they are readily computable from the financial statements. The discussion must not merely repeat numerical data contained in the financial statements. | |  | |  | | |  | |
| 3. Provide the analysis in a format that facilitates easy understanding and that supplements, and does not duplicate, disclosure already provided in the filing. For critical accounting estimates, this disclosure must supplement, but not duplicate, the description of accounting policies or other disclosures in the notes to the financial statements. | |  | |  | | |  | |
| 4. For the liquidity and capital resources disclosure, discussion of material cash requirements from known contractual obligations may include, for example, lease obligations, purchase obligations, or other liabilities reflected on the registrant's balance sheet. | |  | |  | | |  | |
| Except where it is otherwise clear from the discussion, the registrant must discuss those balance sheet conditions or income or cash flow items which the registrant believes may be indicators of its liquidity condition. | |  | |  | | |  | |
| 5. Where financial statements presented or incorporated by reference in the registration statement are required by Rule 4-08(e)(3) of Regulation S-X to include disclosure of restrictions on the ability of both consolidated and unconsolidated subsidiaries to transfer funds to the registrant in the form of cash dividends, loans or advances, the discussion of liquidity must include a discussion of the nature and extent of such restrictions and the impact such restrictions have had or are reasonably likely to have on the ability of the parent company to meet its cash obligations. | |  | |  | | |  | |
| 6. Any forward-looking information supplied is expressly covered by the safe harbor rule for projections. See Rule 175 under the Securities Act, Rule 3b-6 under the Exchange Act, and Securities Act Release No. 6084 (June 25, 1979). | |  | |  | | |  | |
| 7. All references to the registrant in the discussion and in this section mean the registrant and its subsidiaries consolidated. | |  | |  | | |  | |
| 8. Discussion of commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on a registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements or capital resources must be provided even when the arrangement results in no obligations being reported in the registrant's consolidated balance sheets. Such off-balance sheet arrangements may include: Guarantees; retained or contingent interests in assets transferred; contractual arrangements that support the credit, liquidity or market risk for transferred assets; obligations that arise or could arise from variable interests held in an unconsolidated entity; or obligations related to derivative instruments that are both indexed to and classified in a registrant's own equity under U.S. GAAP. | |  | |  | | |  | |
| 9. If the registrant is a foreign private issuer, briefly discuss any pertinent governmental economic, fiscal, monetary, or political policies or factors that have materially affected or could materially affect, directly or indirectly, its operations or investments by United States nationals. The discussion must also consider the impact of hyperinflation if hyperinflation has occurred in any of the periods for which audited financial statements or unaudited interim financial statements are filed. See Rule 3-20(c) of Regulation S-X for a discussion of cumulative inflation rates that may trigger the requirement in this instruction 9 to this paragraph (b). | |  | |  | | |  | |
| 10. If the registrant is a foreign private issuer, the discussion must focus on the primary financial statements presented in the registration statement or report. The foreign private issuer must refer to the reconciliation to United States generally accepted accounting principles and discuss any aspects of the difference between foreign and United States generally accepted accounting principles, not discussed in the reconciliation, that the registrant believes are necessary for an understanding of the financial statements as a whole, if applicable. | |  | |  | | |  | |
| 11. The term statement of comprehensive income is as defined in Rule 1-02 of Regulation S-X | |  | |  | | |  | |
| Item 304 — Changes in and disagreements with accountants on accounting and financial disclosure | |  | |  | | |  | |
| Generally, if there is a change in the principal accountant, publicly held companies are required to file a Current Report on Form 8-K reporting (1) the change and (2) any disagreement with respect to the registrant’s accounting principles and practices and financial disclosure. The accountant must read the statement in the Form 8-K disclosing the reasons for the change and issue a letter to the company specifically stating whether or not the accountant agrees with the reasons. The SEC and the PCAOB have reporting requirements regarding the cessation of a client-auditor relationship. The typical chronological order of actions that must be taken by the former auditors and the SEC registrant concerning the cessation of a client-auditor relationship is as follows:   1. Within *four* business days of the date a change in auditors is determined, the SEC registrant must file a Form 8-K to report certain information required by Item 4.01 of Form 8-K. 2. In certain situations, Section 1000.08(m) of the SEC Practice Section (SECPS), as adopted by the PCAOB via Rule 3400T, *Interim Quality Control Standards*, requires the former auditors to send a separate notification letter regarding the cessation of the client-auditor relationship (referred to as the SECPS notification letter or cessation letter). 3. The former auditors must provide the SEC registrant with a letter stating whether the former auditors agree or disagree with management's representations required to be made in Form 8-K, and such SEC registrant must file the letter with the SEC within *10* business days after the filing of Form 8-K. This letter, required by Item 304(a)(3) of Regulation S-K, is commonly called the Exhibit 16 letter, based on the exhibit it is filed under in Form 8-K. 4. Notwithstanding the 10-business-day period, the SEC registrant must file with the SEC the letter received from the former auditors concerning their agreement or disagreement with the SEC registrant's statements in Form 8-K within *two* business days of the receipt of such letter. | |  | |  | | |  | |
| 1. If, during the two most recent years or any subsequent interim period, the registrant’s principal independent accountants (or the independent accountants of a significant subsidiary on whom the principal accountants expressed reliance) resigned, declined to stand for re-election, or were dismissed, disclose: | |  | |  | | |  | |
| a. Whether the former accountants resigned, declined to stand for re-election, or were dismissed, and the date thereof. | |  | |  | | |  | |
| b. Whether the principal accountants’ report on the financial statements for either of the past two years contained an adverse opinion or a disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope, or accounting principles. Describe the nature of each such adverse opinion, disclaimer of opinion, modification, or qualification. | |  | |  | | |  | |
| c. Whether the audit committee (or similar committee of the board of directors) or the board of directors (if issuer has no such committee) recommended or approved the change in independent accountants. | |  | |  | | |  | |
| d. Whether during the two most recent years and any subsequent interim period preceding the change in independent accountants, there were any disagreements with the former accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of the former accountants, would have caused them to make reference to the disagreement in their report. | |  | |  | | |  | |
| (i) Describe each such disagreement. | |  | |  | | |  | |
| (ii) State whether the audit committee (or similar committee of the board of directors) or the board of directors discussed the disagreement(s) with the former accountants. | |  | |  | | |  | |
| (iii) State whether the former accountants were authorized by the registrant to respond fully to the inquiries of the successor accountants concerning the subject matter of each such disagreement. Describe the nature of any limitation imposed on the former accountants and the reasons for the limitation(s). | |  | |  | | |  | |
| e. Provide the information required by Item 1.d., above (even though a difference of opinion regarding the event was not expressed by the registrant and the former accountants) for each of kind of reportable event listed below: | |  | |  | | |  | |
| (i) The accountants having advised the registrant that the internal controls necessary for the registrant to develop reliable financial statements do not exist. | |  | |  | | |  | |
| (ii) The accountants having advised the registrant that information had come to their attention that caused them to be unable to rely on management’s representations or that made them unwilling to be associated with the financial statements prepared by management. | |  | |  | | |  | |
| (iii) The accountants having advised the registrant of the need to expand significantly the scope of its audit, or that information has come to the accountant's attention during the time period covered by Item 304(a)(1)(iv), that if further investigated may: (a) materially affect the fairness or reliability of either a previously issued audit report or the underlying financial statements, or the financial statements issued or to be issued covering the period(s) subsequent to the date of the most recent financial statements covered by an audit report (including information that may prevent the accountants from rendering an unqualified audit report on those financial statements), or (b) cause the accountants to be unwilling to rely on management’s representations or be associated with the registrant’s financial statements. | |  | |  | | |  | |
| (iv) The accountants having advised the registrant that information had come to the accountants’ attention that materially impacts the fairness or reliability of either (a) a previously issued audit report or the underlying financial statements, or (b) the financial statements issued or to be issued covering the fiscal period(s) subsequent to the date of the most recent financial statements covered by an audit report (including information that, unless resolved to the accountants’ satisfaction, would prevent them from rendering an unqualified audit report on those financial statements), and the issue has not been resolved (for any reason) to the accountants’ satisfaction prior to their departure. | |  | |  | | |  | |
| 6. If, during the two most recent years or any subsequent interim period, new principal accountants (or new accountants for a significant subsidiary on whom the principal accountants are expected to express reliance) have been engaged, identify the new accountants and the date of engagement. | |  | |  | | |  | |
| 7. If, during the two most recent years or subsequent interim period prior to engaging new accountants, the registrant (or someone on its behalf) consulted the new accountants regarding (a) either the application of accounting principles to a specified transaction (either completed or proposed) or the type of audit opinion that might be rendered on the registrant’s financial statements, and a written report or oral advice was provided that the new accountants concluded was an important factor considered by the registrant in reaching a decision about the accounting, auditing, or financial reporting issue; or (b) any matter that was the subject of a disagreement [See Item 1.d. above] or a reportable event [See Item 1.e. above] then: | |  | |  | | |  | |
| a. Disclose the issue(s) that was(were) the subject of the consultation(s). | |  | |  | | |  | |
| b. Describe the views of the new accountants (as expressed orally or in writing) on each such issue. If written views were provided, file such as an exhibit to the filing. | |  | |  | | |  | |
| c. State whether the former accountants were consulted by the registrant regarding any such issue. If the former accountants were consulted, provide a summary of their views. | |  | |  | | |  | |
| d. File, as an exhibit to the filing, any letter provided by the new accountants that contains any new information, clarification of the registrant’s expression of the new accountants’ views, or the respects in which the new accountants do not agree with the statements made by the registrant relative to such consultations. | |  | |  | | |  | |
| 8. File, as an exhibit to the filing, a letter provided by the former accountants that states whether they agree with the registrant’s disclosures made pursuant to Items 1 through 3, above. The letter is to state the respects of any disagreements the former accountants have concerning the disclosures. If the former accountants’ letter is not available at the time of the filing, the former accountants’ letter is to be filed as an amendment within 10 business days thereafter. | |  | |  | | |  | |
| Notwithstanding this 10-day requirement, the letter is to be filed within two business days of receipt by the registrant. If the former accountants’ letter is received on a Saturday, Sunday, or holiday on which the SEC is not open, the two-business-day period begins to run on and includes the first business day thereafter. | |  | |  | | |  | |
| If the former accountants provide the registrant with an interim letter, and if such letter was not included in the original document, file such interim letter by amendment within two business days of receipt. | |  | |  | | |  | |
| 9. If disclosure was required of any disagreements [Item 1.d., above] or reportable events [Item 1.e., above] and if during the year in which the change in accountants took place (or during the subsequent year) there were any transactions or events similar to those involved in such disagreement(s) or reportable event(s) that were accounted for (or disclosed) in a manner different from that which the former accountants apparently would have required, then: | |  | |  | | |  | |
| a. Disclose the existence and the nature of the disagreement or reportable event. | |  | |  | | |  | |
| b. State the effect on the financial statements if the method that the former accountants would have apparently concluded was required, had been followed. | |  | |  | | |  | |
| c. The above disclosures are not required if the method asserted by the former accountants ceases to be generally accepted because of subsequent changes in authoritative standards or interpretations. | |  | |  | | |  | |
| Item 305 — Quantitative and qualitative disclosure about market risk | |  | |  | | |  | |
| a. **Quantitative information about market risk.** | |  | |  | | |  | |
| (1) Registrants should provide, in their reporting currency, quantitative information about market risk as of the end of the latest fiscal year, in accordance with one of the following three disclosure alternatives. In preparing this quantitative information, registrants should categorize market risk sensitive instruments into instruments entered into for trading purposes and instruments entered into for purposes other than trading purposes. Within both the trading and other than trading portfolios, separate quantitative information should be presented, to the extent material, for each market risk exposure category (i.e., interest rate risk, foreign currency exchange rate risk, commodity price risk, and other relevant market risks, such as equity price risk). A registrant may use one of the three alternatives set forth below for all of the required quantitative disclosures about market risk. A registrant may also choose, from among the three alternatives, one disclosure alternative for market risk sensitive instruments entered into for trading purposes and another disclosure alternative for market risk sensitive instruments entered into for other than trading purposes. Alternatively, a registrant may choose any disclosure alternative, from among the three alternatives, for each risk exposure category within the trading and other than trading portfolios. The three disclosure alternatives are: | |  | |  | | |  | |
| (i) (A)(1) Tabular presentation of information related to market risk sensitive instruments; such information should include fair values of the market risk sensitive instruments and contract terms sufficient to determine future cash flows from those instruments, categorized by expected maturity dates. | |  | |  | | |  | |
| (A)(2) Tabular information relating to contract terms should allow readers of the table to determine expected cash flows from the market risk sensitive instruments for each of the next five years. Comparable tabular information for any remaining years should be displayed as an aggregate amount. | |  | |  | | |  | |
| (A)(3) Within each risk exposure category, the market risk sensitive instruments should be grouped based on common characteristics. Within the foreign currency exchange rate risk category, the market risk sensitive instruments should be grouped by functional currency and within the commodity price risk category, the market risk sensitive instruments should be grouped by type of commodity. | |  | |  | | |  | |
| (A)(4) See the Appendix to this Item for a suggested format for presentation of this information; and | |  | |  | | |  | |
| (B) Registrants should provide a description of the contents of the table and any related assumptions necessary to understand the disclosures required under paragraph (a)(1)(i)(A) of Item 305; or | |  | |  | | |  | |
| (ii)(A) Sensitivity analysis disclosures that express the potential loss in future earnings, fair values, or cash flows of market risk sensitive instruments resulting from one or more selected hypothetical changes in interest rates, foreign currency exchange rates, commodity prices, and other relevant market rates or prices over a selected period of time. The magnitude of selected hypothetical changes in rates or prices may differ among and within market risk exposure categories; and | |  | |  | | |  | |
| (B) Registrants should provide a description of the model, assumptions, and parameters, which are necessary to understand the disclosures required under paragraph (a)(1)(ii)(A) of Item 305; or | |  | |  | | |  | |
| (iii)(A) Value at risk disclosures that express the potential loss in future earnings, fair values, or cash flows of market risk sensitive instruments over a selected period of time, with a selected likelihood of occurrence, from changes in interest rates, foreign currency exchange rates, commodity prices, and other relevant market rates or prices; | |  | |  | | |  | |
| (B)(1) For each category for which value at risk disclosures are required under paragraph (a)(1)(iii)(A) of Item 305, provide either: | |  | |  | | |  | |
| (i) The average, high and low amounts, or the distribution of the value at risk amounts for the reporting period; or | |  | |  | | |  | |
| (ii) The average, high and low amounts, or the distribution of actual changes in fair values, earnings, or cash flows from the market risk sensitive instruments occurring during the reporting period; or | |  | |  | | |  | |
| (iii) The percentage or number of times the actual changes in fair values, earnings, or cash flows from the market risk sensitive instruments exceeded the value at risk amounts during the reporting period; | |  | |  | | |  | |
| (B)(2) Information required under paragraph (a)(1)(iii)(B)(1) of Item 305 is not required for the first fiscal year-end in which a registrant must present Item 305 information; and | |  | |  | | |  | |
| (C) Registrants should provide a description of the model, assumptions, and parameters, which are necessary to understand the disclosures required under paragraphs (a)(1)(iii)(A) and (B) of Item 305. | |  | |  | | |  | |
| (2) Registrants should discuss material limitations that cause the information required under paragraph (a)(1) of Item 305 not to reflect fully the net market risk exposures of the entity. This discussion should include summarized descriptions of instruments, positions, and transactions omitted from the quantitative market risk disclosure information or the features of instruments, positions, and transactions that are included, but not reflected fully in the quantitative market risk disclosure information. | |  | |  | | |  | |
| (3) Registrants should present summarized market risk information for the preceding fiscal year. In addition, registrants should discuss the reasons for material quantitative changes in market risk exposures between the current and preceding fiscal years. Information required by this paragraph (a)(3), however, is not required if disclosure is not required under paragraph (a)(1) of Item 305 for the current fiscal year. Information required by this paragraph (a)(3) is not required for the first fiscal year-end in which a registrant must present Item 305 information. | |  | |  | | |  | |
| (4) If registrants change disclosure alternatives or key model characteristics, assumptions, and parameters used in providing quantitative information about market risk (e.g., changing from tabular presentations to value at risk, changing the scope of instruments included in the model, or changing the definition of loss from fair values to earnings), and if the effects of any such change is material, the registrant should: | |  | |  | | |  | |
| (i) Explain the reasons for the change; and | |  | |  | | |  | |
| (ii) Either provide summarized comparable information, under the new disclosure method, for the year preceding the current year or, in addition to providing disclosure for the current year under the new method, provide disclosures for the current year and preceding fiscal year under the method used in the preceding year. | |  | |  | | |  | |
| b. **Qualitative information about market risk.** | |  | |  | | |  | |
| (1) To the extent material, describe: | |  | |  | | |  | |
| (i) The registrant’s primary market risk exposures; | |  | |  | | |  | |
| (ii) How those exposures are managed. Such descriptions should include, but not be limited to, a discussion of the objectives, general strategies, and instruments, if any, used to manage those exposures; and | |  | |  | | |  | |
| (iii) Changes in either the registrant’s primary market risk exposures or how those exposures are managed, when compared to what was in effect during the most recently completed fiscal year and what is known or expected to be in effect in future reporting periods. | |  | |  | | |  | |
| (2) Qualitative information about market risk should be presented separately for market risk sensitive instruments entered into for trading purposes and those entered into for purposes other than trading. | |  | |  | | |  | |
| c. **Interim periods.** If interim period financial statements are included or are required to be included by Article 3 of Regulation S-X (17 CFR 210), discussion and analysis should be provided so as to enable the reader to assess the sources and effects of material changes in information that would be provided under Item 305 from the end of the preceding fiscal year to the date of the most recent interim balance sheet. | |  | |  | | |  | |
| d. **Safe Harbor.**  (1) The safe harbor provided in Section 27A of the Securities Act of 1933 (15 U.S.C. 77z-2) and Section 21E of the Securities Exchange Act of 1934 (15 U.S.C. 78u-5) (“statutory safe harbors”) should apply, with respect to all types of issuers and transactions, to information provided pursuant to paragraphs (a), (b), and (c) of Item 305, provided that the disclosure is made by an issuer; a person acting on behalf of the issuer; an outside reviewer retained by the issuer making a statement on behalf of the issuer; or an underwriter, with respect to information provided by the issuer or information derived from information provided by the issuer. | |  | |  | | |  | |
| (2) For purposes of this paragraph (d) of this Item 305 only: | |  | |  | | |  | |
| (i) All information required by paragraphs (a), (b)(1)(i), (b)(1)(iii), and (c) of Item 305 is considered forward looking statements for purposes of the statutory safe harbors, except for historical facts such as the terms of particular contracts and the number of market risk sensitive instruments held during or at the end of the reporting period; and | |  | |  | | |  | |
| (ii) With respect to paragraph (a) of Item 305, the meaningful cautionary statements prong of the statutory safe harbors will be satisfied if a registrant satisfied all requirements of that same paragraph (a) of Item 305. | |  | |  | | |  | |
| e. **Smaller reporting companies**. Smaller reporting companies, as defined in S-K Item 10(f)(1), need not provide the information required by Item 305. | |  | |  | | |  | |
| See the SEC’s publication *Disclosures About Market Risk — Frequently Asked Questions* (dated August 15, 1997).This publication is available on the SEC’s website at [www.sec.gov](http://sec.gov/divisions/corpfin/guidance/derivfaq.htm). Q&A 18 of the publication states that the market risk disclosure must be included in the annual report delivered to shareholders. | |  | |  | | |  | |
| Item 307 — Disclosure controls and procedures | |  | |  | | |  | |
| Disclose the conclusions of the registrant’s principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, about the effectiveness of the registrant’s disclosure controls and procedures as of the end of the period covered by the report, based on their evaluation of these controls and procedures.  Disclosure controls and procedures are defined as controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. | |  | |  | | |  | |
| **Item 308 — Internal Control Over Financial Reporting (ICFR).** | |  | |  | | |  | |
| a. *Management’s annual report on internal control over financial reporting.* Provide a report of management on the registrant’s internal control over financial reporting that contains: | |  | |  | | |  | |
| (1) A statement of management’s responsibility for establishing and maintaining adequate internal control over financial reporting for the registrant. | |  | |  | | |  | |
| (2) A statement identifying the framework used by management to evaluate the effectiveness of the registrant’s internal control over financial reporting. If the entity is using the framework released by COSO, this statement should identify which framework release was used (i.e., either the 1992 or 2013 framework), since the different COSO versions have the same name except for the year indicator. | |  | |  | | |  | |
| (3) Management’s assessment of the effectiveness of the registrant’s internal control over financial reporting as of the end of the registrant’s most recent fiscal year, including a statement as to whether or not internal control over financial reporting is effective. This discussion must include disclosure of any material weakness in the registrant’s internal control over financial reporting identified by management. Management is not permitted to conclude that the registrant’s internal control over financial reporting is effective if there are one or more material weaknesses in the registrant’s internal control over financial reporting. | |  | |  | | |  | |
| (4) If the registrant is an accelerated filer or a large accelerated, or otherwise includes in its annual report a registered public accounting firms attestation report on internal control over financial reporting, a statement that the registered public accounting firm that audited the financial statements included in the annual report containing the disclosure required by this Item has issued an attestation report on the registrant’s internal control over financial reporting. | |  | |  | | |  | |
| b. *Attestation report of the registered public accounting firm.*  If the registrant is an accelerated filer or a large accelerated filer, provide the registered public accounting firm’s attestation report on the registrant’s internal control over financial reporting in the registrant’s annual report containing the disclosure required by this Item. (Emerging Growth Companies are exempt from the requirement to obtain an attestation report on the company’s ICFR from its registered public accounting firm.) | |  | |  | | |  | |
| c. *Changes in internal control over financial reporting.* Disclose any change in the registrant’s internal control over financial reporting identified in connection with the evaluation that occurred during the registrant’s last fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting. | |  | |  | | |  | |
| d. Instructions to Item 308  (1) A registrant need not comply with paragraphs (a) and (b) of this Item until it either had been required to file an annual report pursuant to section 13(a) or 15(d) of the Exchange Act for the prior fiscal year or had filed an annual report with the Commission for the prior fiscal year. A registrant that does not comply shall include a statement in the first annual report that it files in substantially the following form: "This annual report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the company's registered public accounting firm due to a transition period established by rules of the Securities and Exchange Commission for newly public companies." | |  | |  | | |  | |
| (2) The registrant must maintain evidential matter, including documentation, to provide reasonable support for management’s assessment of the effectiveness of the registrant’s internal control over financial reporting. | |  | |  | | |  | |
| Item 402 — Executive Compensation | |  | |  | | |  | |
| S-K Item 402 requires detailed disclosure of executive compensation. Determine whether these disclosures are consistent with the Company’s understanding and financial statement disclosure. | |  | |  | | |  | |
| Disclosures should begin with an overview entitled “Compensation Discussion and Analysis,” which includes material factors in determining compensation policies and decisions reflected in the data in the tables. This discussion should cover the design and objectives of the company’s compensation program; how the elements are calculated and paid; and a company’s policies, programs, and practices regarding the awarding of stock options. Furthermore, in the discussion section, a company should also disclose whether it has, or intends to have, a plan or practice of setting (1) the exercise price of stock options at other than the market price at the grant date or (2) grant dates in coordination with the release of nonpublic information. | |  | |  | | |  | |
| Did the registrant consider the following disclosures?   |  |  | | --- | --- | | **Item 402 Disclosure Requirement** | **Regulation S-K Item** | | Compensation discussion and analysis (CD&A) | 402(b) | | Summary compensation table (SCT) | 402(c) | | Grants of plan-based awards table | 402(d) | | Narrative disclosures to the SCT and grants of plan-based awards table | 402(e) | | Outstanding equity awards at fiscal year-end table | 402(f) | | Option exercises and stock vested table | 402(g) | | Pension benefits table | 402(h) | | Nonqualified deferred compensation table | 402(i) | | Potential post-employment or change in control payments | 402(j) | | Director compensation table | 402(k) | | Disclosure of registrant's compensation policies and practices for risk management | 402(s) | | Golden parachute compensation | 402(t) | | Pay ratio rule | 402(u) | | Pay versus performance | 402(v) | | Board compensation committee report on executive compensation | 407(e)(5) | | Disclosure of compensation committee interlocks and insider participation | 407(e)(4) | | |  | |  | | |  | |
| On August 25, 2022, the SEC issued a final rule, Pay Versus Performance, which added Item 402(v) to SEC Regulation S-K. Refer to the [RECENT FINAL RULES AND EFFECTIVE DATES](#recent_final_rules) section above for additional information about this rule.  See S-K Item 402 for detailed disclosure requirements. General Questions and Answers are available on the SEC website at [www.sec.gov](http://www.sec.gov/divisions/corpfin/guidance/execcomp402interp.htm). | |  | |  | | |  | |
| Exhibits | |  | |  | | |  | |
| ITEM 601 | |  | |  | | |  | |
| * + - * 1. Subject to rules regarding the incorporation of exhibits by reference, exhibits must be filed as part of a registration statement or report. Each registration statement or report must contain an exhibit index, which is to immediately precede the exhibits filed. Each exhibit must be listed in the exhibit index according to the number assigned to it in the exhibit table. The exhibit index must indicate the page number in the sequential numbering system where each exhibit can be found. Where exhibits are incorporated by reference, state this in the index. Also, the first page of the manually signed registration statement must list the page in the filing where the exhibit index is located. | |  | |  | | |  | |
| * + - * 1. Each exhibit identified in the exhibit index (other than an exhibit filed in eXtensible Business Reporting Language or an exhibit that is filed with Form ABS-EE) must include an active link to an exhibit that is filed with the registration statement or report or, if the exhibit is incorporated by reference, an active hyperlink to the exhibit separately filed on EDGAR. If a registration statement or report is amended, each amendment must include hyperlinks to the exhibits required with the amendment. For a description of each of the exhibits included in the exhibit table, see paragraph (b) of this section. | |  | |  | | |  | |

|  |  |  |  |
| --- | --- | --- | --- |
| Item 703. Purchases of equity securities by the issuer and affiliated purchasers. |  |  |  |
| a. In tabular format, provide the information specified in paragraph (b) of this Item with respect to any purchase made by or on behalf of the issuer or any “affiliated purchaser,” as defined in Rule 10b-18(a)(3) of the Exchange Act, of shares or other units of any class of the issuer’s equity securities that is registered by the issuer pursuant to section 12 of the Exchange Act. |  |  |  |
| b. The table should include the following information for each class or series of securities for each month included in the period covered by the report: |  |  |  |
| (1) The total number of shares (or units) purchased (column (a)). Include in this column all issuer repurchases, including those made pursuant to publicly announced plans or programs and those not made pursuant to publicly announced plans or programs. Briefly disclose, by footnote to the table, the number of shares purchased other than through a publicly announced plan or program and the nature of the transaction (*e.g.*, whether the purchases were made in open-market transactions, tender offers, in satisfaction of the company’s obligations upon exercise of outstanding put options issued by the company, or other transactions). |  |  |  |
| (2) The average price paid per share (or unit) (column (b)). |  |  |  |
| (3) The total number of shares (or units) purchased as part of publicly announced repurchase plans or programs (column (c)). |  |  |  |
| (4) The maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (column (d)). |  |  |  |
| *Instructions to paragraphs (b)(3) and (b)(4) of Item 703*  1. In the table, disclose this information in the aggregate for all plans or programs publicly announced. |  |  |  |
| 2. By footnote to the table, indicate:  a. The date each plan or program was announced; |  |  |  |
| b. The dollar amount (or share or unit amount) approved; |  |  |  |
| c. The expiration date (if any) of each plan or program; |  |  |  |
| d. Each plan or program that has expired during the period covered by the table; and |  |  |  |
| e. Each plan or program the issuer has determined to terminate prior to expiration, or under which the issuer does not intend to make further purchases. |  |  |  |
| Items 801 and 802. Industry Guides.  Items 801 and 802 list [SEC Industry Guides](http://www.sec.gov/about/forms/industryguides.pdf) which prescribe additional disclosure requirements for entities in certain industries. These guides are as follows:  (a) [Reserved]  (b) [Reserved]  (c) [Reserved]  (d) Guide 4. Prospectuses relating to interests in oil and gas programs.  (e) Guide 5. Preparation of registration statements relating to interests in real estate limited partnerships.  (f) Guide 6. Disclosures concerning unpaid claims and claim adjustment expenses of property-casualty underwriters. |  |  |  |



1. Effective September 20, 2022, the gross revenue amount used to determine EGC status was adjusted to $1,235,430. See [Inflation Adjustments Under Titles I and III of the JOBS Act (33-11098)](https://dart.deloitte.com/USDART/home/accounting/sec/new-sec-rules-reports-studies/inflation-adjustments-under-titles-i-iii). [↑](#footnote-ref-2)
2. This accommodation is limited to an IPO of common equity. As the SEC clarifies in paragraph 10220.1 of the FRM, an entity will generally need to include three years of audited financial statements when doing an IPO of debt securities or filing an Exchange Act registration statement, such as a Form 10, to register securities. [↑](#footnote-ref-3)
3. This checklist is not intended to address the reporting requirements within these Regulation S-K sections. [↑](#footnote-ref-4)