

Electronic Filing and the EDGAR System:
A Regulatory Overview

An outline of the SEC's EDGAR rules as applied to filings
processed by the Division of Corporation Finance

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ELECTRONIC FILING AND THE EDGAR SYSTEM: A REGULATORY OVERVIEW

The Commission recently has engaged in rulemaking to mandate and facilitate electronic filing via the Electronic Data Gathering, Analysis, and Retrieval system, EDGAR. This system will benefit electronic filers, enhance the speed and efficiency of SEC processing, and make corporate and financial information available to investors, the financial community and others in a matter of minutes. Electronic dissemination will generate more informed investor participation and more informed securities markets.

On February 23, 1993, the Commission issued four releases adopting the rules that had been proposed in July 1992, requiring most documents processed by the Divisions of Corporation Finance and Investment Management to be filed electronically by direct transmission, diskette, or magnetic tape. The releases also contain phase-in schedules to bring registrants (as well as third parties making filings with respect to these registrants) onto the EDGAR system, a process that began on April 26, 1993.

The first release (Securities Act Release No. 6977 [58 FR 14628]) explains the EDGAR system generally and sets forth rules and procedures that apply to electronic submissions by the Division of Corporation Finance and in some cases, to those processed by the Division of Investment Management ("Corporation Finance Release"). The second release (Investment Company Act Release No. 19284 [58 FR 14848]) adopts rules specific to electronic submissions made by investment companies under the Investment Company Act of 1940 and institutional investment managers under Section 13(f) of the Exchange Act. The third release (Public Utility Holding Company Act Release No. 25746 [58 FR 14999]) adopts rules specific to electronic submissions made by public utility holding companies and their subsidiaries under the Public Utility Holding Company Act of 1935. The fourth release (Securities Act Release No. 6980 [58 FR 15009]) relates to the payment of filing fees, by both paper and electronic filers, to the Commission's lockbox depository at Mellon Bank in Pittsburgh, Pennsylvania pursuant to Rule 3a of the Rules Relating to Informal and Other Procedures.

A. Background

Development of an electronic disclosure system was undertaken by the Commission in 1983, and construction of a pilot system ("EDGAR Pilot") to develop and test an electronic system was commenced in May 1984. The EDGAR Pilot was made available to volunteers filing with both the Division of Corporation Finance and the Division of Investment Management. The first filings were received in the EDGAR Pilot on September 24, 1984, and through the closing of the EDGAR Pilot on July 14, 1992, the Commission received over 116,000 electronic filings from over 1800 filers.

After the EDGAR Pilot was underway, planning began for an operational electronic system that ultimately would encompass all public companies. Development and implementation of this electronic system was authorized as part of the Securities and Exchange Commission Authorization Act of 1987. In accordance with that authorization, on January 4, 1989, the Commission awarded a contract to build the operational EDGAR system to BDM International, Inc. Other parties to the contract include Mead Data Central Inc., Bowne & Company, Disclosure Information Services, Inc., and CompuServe, Inc.

On May 1, 1991, the operational EDGAR system was officially opened for test submissions by EDGAR Pilot participants. On July 14, 1992, the EDGAR Pilot was closed, and the next day, the new EDGAR system began receiving live filings by the former EDGAR Pilot participants ("Transitional Filers"), who remained volunteers until the commencement of mandated electronic filing on April 26, 1993. Between the closing of the EDGAR Pilot and the commencement of mandated electronic filing, Transitional Filers made 14,327 live filings on EDGAR. Filings by EDGAR Pilot participants and Transitional Filers were governed by temporary EDGAR rules. On April 26, the temporary rules were superseded by the new rules adopted in February 1993. The new rules, including the most recent version of the EDGAR Filer Manual, now govern the preparation and transmission of electronic submissions.

B. Phase-In

Registrants whose filings are processed by the Division of Corporation Finance will be brought onto the EDGAR system in a series of discrete groups over a three-year period. ^{1/} Section 35A(c)(5) of the Exchange Act requires that mandated filings from a "significant test group" of registrants be received and reviewed by the Commission for at least six months before the final adoption of any rule requiring electronic filing by registrants. Accordingly, the rules adopted in February 1993 are referred to as "interim rules."

The "significant test group" will be phased in between April 26 and December 1993, in four groups. Group CF-01, which began mandated electronic filing on April 26, consists of approximately 230 companies - mostly Transitional Filers, with a few additional volunteers. The next group, Group CF-02, consisting of approximately 700 registrants whose filings are processed by the Division of Corporation Finance, will begin mandated electronic filing on July 19, 1993. The third group (Group CF-03) and fourth group (Group CF-04) of the "significant test group" will consist of approximately 700 and 900 registrants, respectively, whose filings are processed by the Division. These numbers do not include filers with the Division of Investment Management, to be phased in at the same time.

After the "significant test group" has successfully filed for at least six months, the Commission will adopt final EDGAR rules modified to reflect the experience gained during that period. Registrants will then be phased in, in groups of approximately 1500, every three months (except for the first calendar quarter of every year), with any new registrants or others not named in the phase-in schedule included in the last group phased in. This residual category does not include foreign private issuers or foreign governments, which will not be required to file on EDGAR at this time, although they will be considered if they wish to volunteer. After the phase-in is complete, consideration will be given to whether foreign private issuers should be required to file on EDGAR.

^{1/} As is true with all rules promulgated by the Commission, persons making filings with the Commission are responsible for apprising themselves of their new obligations associated with filing on the EDGAR system. While the Commission attempts to contact registrants in each phase-in group by furnishing a copy of the EDGAR Filer Manual and EDGARLink software prior to phase-in, filers will not be relieved of their electronic filing obligations in the absence of such notification.

C. EDGAR Rulemaking

Many of the EDGAR rules apply to all electronic filers, regardless of whether the filings are processed by the Division of Corporation Finance or the Division of Investment Management. The most significant differences in the rules applicable to filings made with respect to investment companies, institutional investment managers and public utility holding companies relate to the treatment of exhibits and annual reports to security holders. The following discussion addresses the rules as applicable to filers whose documents are processed by the Division of Corporation Finance.

1. Regulation S-T and EDGAR Filer Manual

The cornerstone of the EDGAR rules is Regulation S-T, a separate regulation containing rules prescribing requirements for filing electronically and the procedures for making such filings. Regulation S-T supersedes a number of the procedural requirements set forth in the Commission's existing rules and forms, for example, requirements relating to manual signatures and number of copies. The rules and forms have been amended as necessary to make references to specific electronic filing provisions. Electronic filers that obtain an exemption from the electronic filing provisions of Regulation S-T and filers that are not phased in will continue to file in paper in accordance with the existing requirements. In addition, as discussed below, certain filings will continue to be submitted in paper.

Electronic filings must be prepared in accordance with the procedures and technical formatting requirements set forth in the EDGAR Filer Manual promulgated by the Commission. See Rule 301 of Regulation S-T.

2. Changes Affecting Both Paper and Electronic Filers

The EDGAR rulemaking is procedural and generally does not affect substantive requirements. In most cases, paper filings are not affected by this rulemaking, but Securities Act Release No. 6977 does include a few technical or procedural revisions to paper filing requirements. For example, registrants must submit amendments to Exchange Act filings under cover of the form amended rather than filing such amendments under cover of Form 8. Registrants should designate amendments by adding the letter "A" after the form title, e.g., "Form 10-K/A," and numbering the amendments sequentially. With respect to amendments to Exchange Act filings, registrants and third-party filers now must file complete disclosure items as amended, rather than only revised words or lines. As another example, a new cover page is required to be filed by paper and electronic filers with proxy and information statements; the cover page identifies the nature of the filings and set forth fee information. These and other changes that became effective April 26, 1993, are discussed in Section V.F of Release No. 33-6977.

3. Mandated, Excluded and Permitted Electronic Submissions

Rules 101 and 901 of Regulation S-T require, with certain exceptions, that all documents, including filings, correspondence, and supplemental information, submitted by or relating to domestic registrants pursuant to the Securities Act, the Exchange Act and the Trust Indenture Act be submitted electronically in accordance with the phase-in schedule. One exception provided by Rule 101 is that if a registrant's first filing after becoming subject to mandated electronic filing is a Form 10-K or Form 10-KSB, the registrant may elect to file that document in paper. Thereafter, all filings by the registrant must be in electronic format, absent a hardship exemption.

Once a registrant is required to file electronically, filings made with respect to that registrant by third parties, whether business entities or individuals (e.g., proxy materials, tender offer materials, and Schedules 13D/G) will be required to be submitted electronically, absent a hardship exemption. If a registrant files any document in paper format in violation of the EDGAR rules, certain penalties are provided: the inability to use Securities Act forms incorporating by reference Exchange Act reports; the inability to incorporate the paper filing by reference; and the tolling of certain tender offer dates. Documents filed by or relating to a registrant required to file in paper will not be submitted electronically, except under limited circumstances.

Certain documents are not to be filed in electronic format, such as Regulation B filings. Forms 3, 4 and 5 initially will not be filed on EDGAR, although it is anticipated that EDGAR will be enhanced to accept these filings once phase-in is completed. Other documents that are excluded include confidential treatment applications; interpretive, no-action and exemptive requests; filings made with the Commission's Regional Offices; filings pertaining to offerings exempt from Securities Act registration; and shareholder proposal filings. These documents must be filed in paper. They are being excluded from electronic filing at this time so as not to divert Commission resources from other areas of the EDGAR system.

Electronic filers should exercise special care when submitting documents or parts of documents that are the subject of a confidential treatment request, including preliminary proxy materials relating to business combinations that may be given confidential treatment if marked appropriately for such treatment under the proxy rules. These documents must be submitted in paper or the information contained therein will be made available to the public immediately upon acceptance. Similarly, if an issuer desires the return of supplemental information provided to the staff, such information must be submitted in paper.

Two types of documents are permitted, but not required, to be submitted electronically. The first is the annual report to security holders furnished to the Commission for its information pursuant to the proxy rules. (See no. 10, below, for the treatment of an annual report to security holders that is part of a filing.) The second is the Notice of Exempt Solicitation, the submission that indicates reliance by certain security holders on the Rule 14a-2(b) exemption from proxy material filing requirements under the revised proxy rules.

During the phase-in period, volunteers will be permitted to file on EDGAR only on a limited basis, in order to assure that the Commission has sufficient filer support staff to answer questions and provide assistance to phased-in electronic filers. For example, the Commission may permit subsidiaries of a parent filing on EDGAR, foreign private issuers, foreign governments and others to volunteer. Once permitted to file on EDGAR, volunteers will be subject to the same rules as mandated electronic filers and will not be permitted to make filings in paper except pursuant to a hardship exemption.

4. Hours of Operation/Date of Filing

Rule 12 of Regulation S-T provides that magnetic tapes and diskettes will be accepted for filing during the Commission's current hours for receipt of paper filings, namely 8:00 a.m. to 5:30 p.m. Eastern time. Direct transmission filers are permitted to transmit until 10:00 p.m., but any direct transmission filing that commences after 5:30 p.m., if accepted, will be considered filed as of the next business day. Any

direct transmission filing commencing before 5:30 p.m., if accepted, will receive that day's filing date.

5. Exhibits

Rule 102 of Regulation S-T provides that exhibits filed in paper before the filer becomes subject to mandated filing will not have to be refiled in electronic format. Once the filer becomes subject to mandated filing, any new exhibits will have to be filed electronically, absent a hardship exemption. Where an electronic amendment is filed to an exhibit previously filed in paper, only the amendment will be required in electronic format; the previously filed paper exhibit to which the amendment relates will not have to be refiled electronically, except for the articles of incorporation and by-laws of the registrant, which must be restated in their entirety upon amendment.

6. Hardship Exemptions/Adjustment of the Filing Date

Two hardship exemptions are available to permit a filing or other submission to be made in paper rather than electronic format. First, Rule 201 of Regulation S-T provides for a temporary hardship exemption to be available to electronic filers, generally for unanticipated technical difficulties in submitting an electronic document. The exemption may be appropriate, for example, for a particular document that a filer is unable to file electronically because of a storm that interrupts power to the filer's area or problems with the filer's computer equipment that had been used previously to transmit either test or required electronic filings successfully. Under that exemption, the filing may be made in paper, but then must be followed by a confirming electronic copy within six business days so that the electronic database will be complete. An electronic filer may take advantage of the exemption simply by filing the subject document in paper under cover of new Form TH, Notification of Reliance on Temporary Hardship Exemption. No staff involvement is required. The sanctions for violating electronic filing requirements mentioned above apply as well where a filer is required to submit a confirming electronic copy of a document filed in paper pursuant to a temporary hardship exemption, but fails to do so.

Second, under Rule 202 of Regulation S-T, a continuing hardship exemption is available to electronic filers under limited circumstances for exhibits or a filing or group of filings. The use of this exemption might be appropriate for filings of a company that is under the protection of a bankruptcy court where electronic filing may be burdensome or for voluminous material contracts of an acquired company, the conversion of which would present undue hardship to the acquiror. Unlike the temporary hardship exemption, the staff must act upon a written application for a continuing hardship exemption. If the exemption is granted, a submission may be made in paper, with no requirement for a subsequent electronic copy in most cases.

In addition to the two hardship exemptions, Rule 13 of Regulation S-T permits an electronic filer to request an adjustment of the filing date of an electronic document when the electronic filer encounters technical problems beyond its control which prevent electronic submission by the due date specified by the applicable form or rule.

7. Signatures

As the EDGAR system cannot accept manual signatures, Rule 302 of Regulation S-T provides that required signatures in electronic filings be submitted in typed form. Signature requirements for electronic filings remain the same as for paper format documents in all other respects. Electronic filers, however, must retain a manually signed signature page or other document authenticating, acknowledging or

otherwise adopting the signatures that appear in typed form within an electronic filing, to be made available to the Commission or its staff upon request for a period of five years. The manually signed authentication document must be executed before or at the time the filing is made. The foregoing provisions apply only to filings made in electronic format, except that documents filed in paper pursuant to a temporary hardship exemption under cover of Form TH may contain typed rather than manual signatures.

8. Safe Harbor

The Rule 103 of Regulation S-T provides a safe harbor against liability for errors in, or omissions from, documents filed electronically that result solely from electronic transmission errors beyond the control of the electronic filer. The safe harbor is available where the electronic filer takes corrective action as soon as reasonably practicable after becoming aware of the error or omission.

9. Graphic and Image Material

Because of difficulties associated with sending and interpreting graphic and image material in electronic submissions, EDGAR initially will not accommodate electronic submission of such material. Rule 304 of Regulation S-T, governing treatment of omitted graphic and image information, provides that an appendix to the electronic format document must list all graphic and image information appearing in the paper format document that does not appear in the electronic version and provide a fair and accurate narrative description of such information. If, however, the substantive information conveyed by the graphic and image information presented in the paper format document is described narratively in the body of the document, the appendix to the electronic format document listing the graphic and image information will simply contain a cross-reference to the narrative discussion.

The graphic and image material in the paper format version of the document is deemed part of the filing and is subject to the liability and anti-fraud provisions of the federal securities laws. Differences between the paper and electronic versions of a document relating to type size or font, pagination or corporate logos need not be described. A safe harbor provides that to the extent such descriptions represent a good faith effort to fairly and accurately describe omitted graphic and image material, they will not be subject to the liability provisions of the federal securities laws. Any paper document containing graphic and image material that is omitted from an electronic filing must be retained by the filer for a period of five years after the filing date of the document or the date appearing on the document, whichever is later. Such documents are to be made available to the Commission staff upon request.

Rule 304(d) of Regulation S-T gives special treatment to the performance line graph required by Item 402(l) of Regulation S-K to be included in proxy and information statements relating to an annual meeting of security holders at which directors are to be elected (or special meeting or written consents in lieu of such meeting). The graph may be either filed with the Commission in paper under cover of Form SE or the numerical data may be presented in the body of the electronic proxy or information statement in tabular or chart form. If the latter method is chosen, the filer should send supplementally to the Branch Chief of the Division who is responsible for reviewing its filings a paper copy of the performance graph at the time the proxy or information statement is filed. Of course, the paper version of the proxy statement disseminated to security holders must include the prescribed line graph.

10. Annual Reports to Security Holders

Annual reports to security holders ("glossy reports") frequently contain extensive graphic information which is difficult to provide in electronic format. Accordingly, the rules provide special treatment for these documents. As discussed above, Rule 101 of Regulation S-T provides that glossy reports furnished for the Commission's information pursuant to the proxy and information statement rules (e.g., Exchange Act Rule 14a-3(b)) may be furnished in either paper or electronic format. In contrast, Rule 303 of Regulation S-T states that if the glossy report is incorporated by reference into any filing - for example, a Form 10-K or a Form S-2 - those portions incorporated by reference must be filed in electronic format as an exhibit. The same is true for a quarterly report to security holders incorporated by reference into a filing.

11. Schedules 13D and 13G

As noted above, Rules 101 and 901 of Regulation S-T require that Schedules 13D and 13G be filed electronically if the company to which the filing relates is an electronic filer. If the subject company is a paper company but the filer of the Schedule is subject to mandated electronic filing, the filer has the option to file either in paper or in electronic format.

In addition, Rule 101 of Regulation S-T provides that where these schedules originally were filed in paper, the first electronic amendment must restate the entire text of the schedule, as amended. Consistent with the general treatment of exhibits filed electronically, if any exhibit to a Schedule 13D or 13G is amended, only the text of the amendment needs be filed.

12. Other Filings Involving More than One Party

In addition to special treatment of Schedules 13D and 13G, Rule 901 provides alternatives in other situations where one party is a paper filer and the other is an electronic filer. Where a paper filer (whether an entity or an individual) commences a cash tender offer or proxy contest (including a solicitation in opposition) with respect to an electronic filer, submissions by both parties must be in electronic format. If an electronic filer commences a cash tender offer or proxy contest with respect to a paper filer, the electronic filer will be permitted, but not required, to file all materials relating to that transaction in electronic format. If the electronic filer elects to use electronic format, the paper filer also will be given the choice to file documents relating to the transaction in electronic format in order to ensure a "level playing field" between the parties. If the electronic filer elects to use paper, the paper filer also must use paper.

If an electronic filer engages in a registered exchange offer, merger or other business combination involving a Securities Act registration statement, such as a Form S-4, to acquire a paper filer, the rules provide that the electronic filer must make all filings in electronic format. If the paper company being acquired makes any filing, such as a Schedule 14D-9, it will be permitted, but not required, to file in electronic format. As with proxy contests and cash tender offers, if that company elects to file in electronic format, it must continue to file in electronic format for the particular exchange offer, merger, or other business combination only.

13. Financial Data Schedules

One of the principal benefits of an electronic filing system is its ability to obtain financial and statistical information in a form that can readily be analyzed

electronically. In order for EDGAR to recognize and extract such information, it must be submitted in a special format, by means of inserting computer identifiable tags. For example, numbers representing a registrant's total current assets and total current liabilities for its last fiscal year, when placed in the Financial Data Schedule, could be recognized by EDGAR and working capital could be calculated automatically.

Beginning on November 1, 1993, Rule 401 of Regulation S-T will require all domestic EDGAR registrants to file a Financial Data Schedule with the Commission pursuant to Item 601(c) of Regulations S-K and S-B. A newly phased-in electronic filer will be required to furnish the Financial Data Schedule as an exhibit to its first mandated electronic filing that includes financial statements, not incorporated by reference from an earlier filing, with information from the most recent fiscal year and/or interim year to date to be reflected in the Schedule. Thereafter, such Schedules are to be filed as an exhibit to any registration statement, report or other document filed with the Commission that includes updated annual or interim financial statements (otherwise than by incorporation by reference). In most cases, the Schedule will be filed with each Form 10-K and 10-Q. Failure to file a required Financial Data Schedule will make the filer ineligible to use Forms S-2, S-3 and S-8.

The Financial Data Schedule will be available to the public and will set forth specified financial information from the registrant's financial statements, schedules and other disclosure requirements such as industry guides. While the Financial Data Schedule is filed as an exhibit, it is not deemed "filed" for purposes of liability under the federal securities laws. Rule 402 of Regulation S-T also provides a safe harbor, stating that any item provided in the Schedule, in accordance with the rules governing the Schedule, will not be subject to liability under the federal securities laws, except to the extent that the financial statements and other information from which the data were extracted violate those laws.

While the Financial Data Schedule requirements have been adopted and will become effective on November 1, the public is encouraged to submit written comments on the form and content of the Schedule. Comments should be received by May 17, 1993.

14. Paper Copies

As provided in Section 35A of the Exchange Act, Rule 901(d) of Regulation S-T requires all electronic filers, including those Group CF-01 filers who previously have been Transitional Filers, to submit copies of electronic filings to the Commission in paper format for one year following their phase-in or for such shorter period of time that the Commission determines is appropriate. Although the Commission is constrained by this requirement, it may be able to shorten the period if it determines that statutory conditions are satisfied. Either computer print-outs of EDGAR filings or the traditional paper filings will be acceptable. If the copy being submitted is the paper print-out of the electronic filing, the header information should be omitted to ensure that confidential information contained in the header remains non-public. A legend is required to be placed at the top of the paper copy indicating that it is being submitted pursuant to Rule 901(d) of Regulation S-T. No signatures are required; these are copies, not official filings. Paper copies should be received by the Commission no later than six business days after the electronic filing, thus allowing the paper copies to be mailed. These copies should be directed to the following address: OFICS Filer Support, SEC Operations Center, 6432 General Green Way, Alexandria, VA 22312-2413.

15. Modular Submissions/Segmented Filings

The EDGAR system and Rule 501 of Regulation S-T have been designed to facilitate electronic filing by allowing information intended to become part of a filed document to be submitted in advance of the intended filing date for subsequent inclusion in an electronic filing. A modular submission feature allows a filer who subscribes to the EDGAR electronic mail and bulletin board service to submit information, such as financial statements, to a non-public EDGAR data base for inclusion in as many filings as the filer designates, so long as the information remains current.

A similar feature is segmented filing, in which various segments of a document to be filed with the Commission can be submitted to the EDGAR non-public data storage area up to six days in advance of the anticipated filing date. For example, voluminous exhibits can be sent in advance of a filing. On the anticipated filing date, the electronic filer may submit a master segment instructing EDGAR to assemble the desired filing from the previously submitted segments and file it. Unlike modules, segments may be used only once.

Neither modular submissions nor segments will be deemed "filed" or subject to liability under the federal securities laws until the filer includes the information in an electronic filing.

16. EDGAR Forms

Four paper forms have been adopted specifically for use with the EDGAR system. Form ID is used to apply for the codes necessary for access to file on EDGAR, and provide identifying information on companies and individuals who are required to file with the Commission, as well as information on agents who are authorized to file on behalf of such persons. It also is used to amend the codes received in response to the original Form ID application. Inasmuch as Form ID is filed in paper and initiates a filer's access to the EDGAR system, the requirement for manual signatures on the Form ID itself has been retained.

Form ET is used when submitting electronic filings to the EDGAR on magnetic tape or diskette. The form requests specific information relating to the tape or diskette submitted, the word processing package used, and the hardware used to prepare the diskette. This information is helpful in translating the submission into a form compatible with EDGAR. While no signatures are required on the Form itself, an instruction to the Form reminds the filer that, as with all electronic submissions, required signatures within the documents submitted on the diskette or magnetic tape must be in typed form.

Form SE is used by electronic filers as a cover sheet to be attached to any paper format exhibit filed pursuant to a temporary or continuing hardship exemption. The form also is used for other purposes where paper documents are filed by electronic filers. For example, the form is used if a registrant chooses to file in paper the performance line graph required in certain proxy statements. Financial statements prepared in accordance with the requirements of ERISA and filed in connection with Form 11-K also may be submitted in paper under cover of this form. Form SE requires signatures to be in manual format, as with other paper filings, except where the Form SE pertains to an exhibit filed pursuant to a temporary hardship exemption. In such case, given the timing considerations associated with temporary hardship exemptions, the signatures to Form SE may be in typed form.

Finally, Form TH is a cover sheet accompanying documents filed in paper pursuant to a temporary hardship exemption, as described in no. 6 above. The following information must be provided on the Form: (1) the nature and extent of the temporary technical difficulties experienced by the electronic filer in attempting to submit the document in electronic format; (2) the extent to which the electronic filer has successfully submitted documents previously in electronic format with the same hardware and software, in test or required filings; (3) the burden and expense involved to employ alternative means to submit the electronic submission in a timely manner; and (4) any other reasons why the exemption is warranted. Form TH is to be signed by an executive officer of the registrant or other duly authorized representative. Signatures may be in typed form rather than in manual format.

17. Filing Fees; Lockbox

Rule 3a of the Commission's rules governing informal and other procedures requires all electronic filers to pay fees via the lockbox at the U.S. Treasury designated lockbox depository maintained by the Commission at the Mellon Bank in Pittsburgh, Pennsylvania. Payment may be made by direct wire transfer or by mailing or delivering a check or cash to the lockbox. This requirement will be phased in along with electronic filing. Rule 13(c) of Regulation S-T requires electronic filers to pay filing fees in accordance with the lockbox procedures, including those pertaining to documents filed in paper pursuant to a hardship exemption. Thus, all fees paid by a person subject to electronic filing must be tendered to the lockbox at Mellon Bank and not to the Commission's filing desk, even when physically filing a paper document, diskette or magnetic tape there. Paper filers also may make payments to the lockbox rather than with the Commission's filing desk, and are encouraged to do so.

A Securities Act registration statement (including a Securities Act filing by an investment company) will be deemed filed as of its date of receipt, provided that all of the conditions of acceptance are satisfied, including verification of fee payment at the lockbox. If payment is not confirmed until the day following receipt by the Commission, the filing will be assigned a filing date as of the date of confirmation of payment, not the date of receipt. If payment cannot be verified, the filing will be placed in a suspense file for up to six business days and the filer will be so notified. Since fee payments made via wire transfer will be verified on a near real-time basis (every 15 minutes), while those made by check will be verified on a daily basis, a filer may wish to pay fees with respect to a time-sensitive Securities Act registration statement by wire transfer in order to expedite acceptance processing.

18. One-Stop Filing

Frequently documents filed with the Commission are used to satisfy self-regulatory organization ("SRO") and state blue sky law requirements with respect to securities offerings. The Commission has been working with the SROs, including the securities exchanges and the National Association of Securities Dealers, and the states through the North American Securities Administrators Association ("NASAA") to develop a system in which EDGAR filings could be used to satisfy the requirements of the various parties. Although one-stop filing is not currently available, it is contemplated that EDGAR will provide the states, via NASAA, and various SROs with the state and SRO required public filings that are designated for such treatment by an electronic filer. Under the contemplated system, the SROs and the states would furnish the connection with EDGAR and maintain facilities to receive filings directed to them. The states and SROs would be able to obtain other public filings through access to the public EDGAR database.