

entities from any of the proposed requirements or scale the proposed disclosure amendments to reflect the characteristics of small entities and the needs of their investors.³⁵³

At this time, we do not believe that different compliance methods or timetables for small entities would be appropriate. The proposals are intended to further the statutory goal of assuring that executive officers do not retain incentive-based compensation that they received erroneously. The specific disclosure requirements in the proposals will promote consistent disclosure among all issuers, including small entities. Separate compliance requirements or timetables for small entities could interfere with achieving the goals of the statute and our proposals. Nevertheless, we solicit comment on whether different compliance requirements or timetables for small entities would be appropriate, and consistent with the purposes of Section 954 of the Act.³⁵⁴

G. Solicitation of Comments

We encourage the submission of comments with respect to any aspect of this Initial Regulatory Flexibility Analysis. In particular, we request comments regarding:

- How the proposed rule and rule amendments can achieve their objective while lowering the burden on small entities;
- The number of small entities that may be affected by the proposed rule and rule amendments;
- Whether small entities should be exempt from the rule and rule amendments;
- The existence or nature of the potential impact of the proposed amendments on small entities discussed in the analysis; and

³⁵³ See Sections II.A.1 and II.D, above, and related requests for comment.

³⁵⁴ See Section II.F, above, and related requests for comment.

into any filing under the Securities Act, except to the extent that the listed issuer specifically incorporates it by reference.

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PART 274 — FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940

11. The general authority citation for Part 274 is revised to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 78c(b), 78j-4, 78l, 78m, 78n, 78o(d), 80a-8, 80a-24, 80a-26, 80a-29, and Pub. L. 111-203, sec. 939A, 124 Stat. 1376 (2010), unless otherwise noted.

* * * * *

12. Amend Form N-CSR (referenced in 17 CFR 274.128) by:

- a. revising General Instruction D;
- b. redesignating Item 12 as Item 13;
- c. adding new Item 12;
- d. redesignating paragraph (a)(2) of newly designated Item 13 (Exhibits) as paragraph (a)(4); and
- e. adding paragraphs (a)(2) and (a)(3) to redesignated Item 13 (Exhibits).

The additions read as follows:

Note: The text of Form N-CSR does not, and this amendment will not, appear in the Code of Federal Regulations.

FORM N-CSR

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GENERAL INSTRUCTIONS * * *

D. Incorporation by Reference.

A registrant may incorporate by reference information required by Items 4, 5, 12, and 13(a)(1). No other Items of the Form shall be answered by incorporating any information by reference. The information required by Items 4, 5, and 12 may be incorporated by reference from the registrant's definitive proxy statement (filed or required to be filed pursuant to Regulation 14A (17 CFR 240.14a-1 et seq.)) or definitive information statement (filed or to be filed pursuant to Regulation 14C (17 CFR 240.14c-1 et seq.)) which involves the election of directors, if such definitive proxy statement or information statement is filed with the Commission not later than 120 days after the end of the fiscal year covered by an annual report on this Form. All incorporation by reference must comply with the requirements of this Form and the following rules on incorporation by reference: Rule 10(d) of Regulation S-K under the Securities Act of 1933 (17 CFR 229.10(d)) (general rules on incorporation by reference, which, among other things, prohibit, unless specifically required by this Form, incorporating by reference a document that includes incorporation by reference to another document, and limits incorporation to documents filed within the last 5 years, with certain exceptions); Rule 303 of Regulation S-T (17 CFR 232.303) (specific requirements for electronically filed documents); Rules 12b-23 and 12b-32 under the Exchange Act (additional rules on incorporation by reference for reports filed pursuant to Sections 13 and 15(d) of the Exchange Act); and Rules 0-4, 8b-23, and 8b-32 under the Investment Company Act of 1940 (17 CFR 270.0-4, 270.8b-23, and 270.8b-32) (additional rules on incorporation by reference for investment companies).

* * * * *

Item 12. Recovery of Erroneously Awarded Compensation.

In the case of a registrant that is required to develop and implement a policy regarding the recovery of erroneously awarded compensation pursuant to Rule 10D-1(b)(1) under the Exchange Act (17 CFR 240.10D-1), if at any time during the last completed fiscal year either a restatement that required recovery of excess incentive-based compensation pursuant to the registrant's compensation recovery policy was completed or there was an outstanding balance of excess incentive-based compensation from the application of the policy to a prior restatement, the registrant shall provide the following information:

(a) For each restatement:

(1) The date on which the registrant was required to prepare an accounting restatement, as defined in Rule 10D-1(c)(2) under the Exchange Act (17 CFR 240.10D-1(c)(2));

(2) The aggregate dollar amount of excess incentive-based compensation attributable to such accounting restatement;

(3) The estimates that were used in determining the excess incentive-based compensation attributable to such accounting restatement, if the financial reporting measure related to a stock price or total shareholder return metric; and

(4) The aggregate dollar amount of excess incentive-based compensation that remains outstanding at the end of the last completed fiscal year;

(b) If during the last completed fiscal year the registrant decided not to pursue recovery from any individual subject to recovery of excess incentive-based compensation attributable to

an accounting restatement, for each such individual, the name and amount forgone and a brief description of the reason the registrant decided in each case not to pursue recovery; and

(c) The name of each individual from whom, as of the end of the last completed fiscal year, excess incentive-based compensation had been outstanding for 180 days or longer since the date the issuer determined the amount the individual owed, and the dollar amount of outstanding excess incentive-based compensation due from each such individual.

Instructions

1. The information required by this Item is only required in an annual report on Form N-CSR.

2. A “compensation recovery policy” is the policy required by the listing standards adopted pursuant to Rule 10D-1 under the Exchange Act (17 CFR 240.10D-1).

3. “Excess incentive-based compensation” is the erroneously awarded compensation computed as provided in Rule 10D-1(b)(1)(iii) under the Exchange Act (17 CFR 240.10D-1(b)(1)(iii)) and the applicable listing standards for the listed registrant’s securities.

4. If the aggregate dollar amount of excess incentive-based compensation has not yet been determined, disclose this fact and explain the reason(s).

Item 13. Exhibits.

(a) * * *

(2) Any policy required by the listing standards adopted pursuant to Rule 10D-1 under the Exchange Act (17 CFR 240.10D-1) by the registered national securities exchange or registered national securities association upon which the registrant's securities are listed.

Instruction to paragraph (a)(2).

The exhibit required by this paragraph (a)(2) is only required in an annual report on Form N-CSR.

(3) Unless the information required by Item 12 is answered by incorporating by reference from the registrant's definitive proxy statement or definitive information statement pursuant to General Instruction D, provide the information required to be disclosed by Item 12 in an exhibit to this Form electronically formatted using the eXtensible Business Reporting Language (XBRL) interactive data standard in accordance with the EDGAR Filer manual (17 CFR 232.11). The exhibit must be block-text tagged.

Instruction to paragraph (a)(3).

The exhibit required by this paragraph (a)(3) is only required in an annual report on Form N-CSR.

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By the Commission.

July 1, 2015

Brent J. Fields
Secretary