This Internet Appendix contains additional procedural information related to the two surveys described in the paper. The Appendix is divided into four sections as identified below.

IA 1. Consent Question from First Survey
IA 2. Consent Question from Second Survey
IA 3. Specific Quotes Question from Second Survey
IA 4. State of Related Literature Question from Second Survey
Welcome to the research study!

We are interested in understanding the Securities and Exchange Commission's use of academic research in cost-benefit analysis. Because your research was discussed by the SEC, you will be presented with information about the SEC's description of your research and asked to answer some questions about it.

We will work to make sure that no one sees your survey responses without approval. But, because we are using the Internet, there is a chance that someone could access your online responses without permission. In some cases, this information could be used to identify you.

The study should take you less than 15 minutes to complete. Your participation in this research is voluntary. You have the right to withdraw at any point during the study, for any reason, and without any prejudice. You may skip any question you do not feel comfortable answering. If you would like to contact the Principal Investigator in the study to discuss this research, please e-mail [Rachel Geoffroy at geoffroy.1@osu.edu].

By clicking the button below, you acknowledge that your participation in the study is voluntary, you are 18 years of age, and that you are aware that you may choose to terminate your participation in the study at any time and for any reason.

Please note that this survey will be best displayed on a laptop or desktop computer. Some features may be less compatible for use on a mobile device.

For questions about your rights as a participant in this study or to discuss other study-related concerns or complaints with someone who is not part of the research team, you may contact Ms. Sandra Meadows in the Office of Responsible Research Practices at 1-800-678-6251.

I consent, begin the study
I do not consent, I do not wish to participate
Welcome to the research study!

We are interested in understanding the Securities and Exchange Commission’s use of academic research in cost-benefit analysis. This research will be presented as part of the 2020 Journal of Accounting Research Conference. All accounting and finance academics are invited to participate.

We will work to make sure that no one sees your survey responses without approval. But, because we are using the Internet, there is a chance that someone could access your online responses without permission. In some cases, this information could be used to identify you.

The study should take you less than 20 minutes to complete. Your participation in this research is voluntary. You have the right to withdraw at any point during the study, for any reason, and without any prejudice. You may skip any question you do not feel comfortable answering. If you would like to contact the Principal Investigator in the study to discuss this research, please e-mail [Rachel Geoffroy at geoffroy.1@osu.edu].

By clicking the button below, you acknowledge that your participation in the study is voluntary, you are at least 18 years of age, and that you are aware that you may choose to terminate your participation in the study at any time and for any reason.

Please note that this survey will be best displayed on a laptop or desktop computer. Some features may be less compatible for use on a mobile device.

For questions about your rights as a participant in this study or to discuss other study-related concerns or complaints with someone who is not part of the research team, you may contact Ms. Sandra Meadows in the Office of Responsible Research Practices at 1-800-678-6251

I consent, begin the study
I do not consent, I do not wish to participate
IA 3. Specific Quotes Question from Second Survey

Notes: Below are the instructions given to participants and the specific SEC quotes that were presented at random to participants based on the participants’ reported field of study.

Instruction:

Next, you will be shown two random citations of the academic literature from real SEC proposed rules. Please read the selection and rate the accuracy and substantiveness (i.e. the degree of meaningfulness and/or thoroughness) of the SEC's discussion of academic research.

You will be asked to respond on a 5-point Likert scale where 1 represents being completely inaccurate or not at all substantive and 5 represents being completely accurate and very substantive.

This is not closed-book. Feel free to search and read the papers and/or the proposed rules if it helps you.

Accounting Related SEC Quotes:

Quote #1
Please read the below excerpt from “Proposed Rule: Amendments to Municipal Securities Disclosure” particularly relating to the citation of “The Effect of Bond Rating Agency Announcements on Bond and Stock Prices”.

To the extent that investors in the municipal securities market rely on credit ratings as a meaningful indicator of credit risk, the recent efforts of certain credit rating agencies to collect information from issuers and obligated persons about the incurrence of direct placements may help improve the accuracy of credit ratings and mitigate potential mispricing in the municipal securities market.189 However, because not all credit rating agencies require information on direct placements to provide a rating, and there are other undisclosed financial obligations and significant events (such as defaults) that may affect the issuers’ and obligated persons’ creditworthiness besides the incurrence of financial obligations, such efforts alone are unlikely to remove all potential mispricing related to direct placements.

189 See supra note 81 for examples of credit rating agency initiatives. For academic evidence on pricing effect of credit rating agencies’ actions, see John R.M. Hand, Robert W. Holthausen, & Richard Leftwich, The Effect of Bond Rating Agency Announcements on Bond and Stock Prices, 47 J. Fin. 733, 733-752 (1992).

Quote #2
Please read the below excerpt from “Proposed Rule: Exemptions to Facilitate Intrastate and Regional Securities Offerings” particularly relating to its citation of “Exploring the Role Delaware Plays as a Domestic Tax Haven”.

The proposed elimination of the requirement that the issuer be registered or incorporated in the state where the offering is being conducted would align the rule’s provisions with modern business practices, thereby making it easier for a greater number of issuers to utilize the exemption. A significant number of companies are incorporated in states other than where their
principal place of business is located. Most of these companies have chosen to incorporate in places where corporate laws, including corporate tax laws, comport with modern business practices or are more permissive. For example, according to one academic study, corporate laws affect firm value, even after controlling for firm size, diversification, profitability, investment opportunities and industry. Thus, firms have strong incentives to select favorable local regimes such as Delaware. These studies and industry practices indicate that firms’ choice of state of incorporation depends on the economic benefits derived from the regulatory environment in which the firm is organized, and as such the choice of legal home state may not be substantially related to where the business operations of the firms are located.


Quote #3
Please read the below excerpt from “Proposed Rule: Short-term Borrowing” particularly relating to its citation of "Rating Agency Adjustment to GAAP Financial Statements and Their Effect on Ratings and Bond Yields".

We are considering whether to extend a leverage ratio disclosure requirement to companies that are not bank holding companies. We understand that, outside the banking industry, a variety of metrics are used to evaluate a company’s debt levels and capital adequacy. There does not appear to be a “one-size-fits all” leverage ratio that is used by companies or investors. For example, we understand that financial analysts, credit analysts and other sophisticated users of financial statements tend to apply their own models and calculate their own ratios for use in their analyses of a registrant’s financial health, using their own proprietary calculation methods. We also understand that there is not a consensus on how to measure and treat “off-balance sheet” leverage for purposes of calculating leverage or capital ratios. We are requesting comment today as to the scope of a potential disclosure requirement, and importantly, how such a requirement would take into account the differences among metrics and industries while still providing comparability.


Quote #4
Please read the below excerpt from “Proposed Rule: Incentive-based Compensation Arrangements” particularly relating to its citation of "An Empirical Investigation of an Incentive Plan that Includes Nonfinancial Performance Measures".

There is evidence in the economic literature suggesting that non-financial measures of performance are incremental predictors of long-term financial performance relative to financial measures of performance, and provide important information about executives’ performance. Moreover, non-financial measures of performance in compensation arrangements may better capture progress or milestones of strategic goals that may be unique to specific institutions. Thus, the proposed requirement to use a mix of the two types of measures would likely provide more relevant information to enable covered institutions to set up incentive compensation arrangements for covered persons. In addition, the flexibility that the proposed rule
would provide to covered institutions to adjust the compensation awards based on various factors would allow covered institutions to tailor their compensation arrangements to their specific circumstances.


Quote #5
Please read the below excerpt from “Proposed Rule: Credit Risk Retention” particularly relating to its citation of "Characteristics of Securitizations that Determine Issuers' Retention of the Risks of the Securitized".

Empirical evidence points to a significant heterogeneity of securitization structures, practices and risk characteristics across ABS asset classes. Accordingly, allowing sponsors to choose a form of risk retention from a menu of options provides them with the flexibility of choosing the form that best suits their operational and financing preferences. By including most of the risk retention forms currently observed in the marketplace, the Agencies’ proposal benefits sponsors, originators, and investors alike by limiting disruption to current securitization practices to the extent possible. Historically, most sponsors have been exposed to some level of credit risk by retaining an economic interest in the pools they securitize in the form of first-loss or pro-rata positions. Thus, the proposed rule allows sponsors that have existing risk retention programs to minimize their compliance costs resultant from the statute’s mandate. Without the flexibility allowed by a broad menu-of-options approach, there likely would be an increase in borrowing costs to sponsors and to the borrowers whose loans are in the securitized pools. In some cases, this increase could be large enough to make certain types of securitizations economically unfeasible.

234 For example, Chen, Liu, and Ryan (2008) show that banks retain more risk when loans have higher or less externally verifiable credit risk. See Characteristics of Securitizations that Determine Issuers’ Retention of the Risks of the Securitized, Weitzu Chen, Chi-Chun Liu, and Stephen Ryan (2008), The Accounting Review, 2008.83.5.1181.

Quote #6
Please read the below excerpt from “Proposed Rule: Listing Standards for Recovery of Erroneously Awarded Compensation” particularly relating to its citation of "When Does Information Asymmetry Affect the Cost of Capital".

Executives may also take other steps to reduce the likelihood of an inadvertent misreporting. An executive could change the business practices of the issuer, thereby affecting the opportunity for a material accounting error to arise. For example, an executive could simplify delivery terms of a project or a transaction in order to use accounting standards that are more straightforward to apply and perhaps require fewer accounting judgments, which may reduce the likelihood of material accounting errors. Taking steps such as these does not necessarily affect the selection of the project or transaction the issuer chooses to undertake (although it could, as discussed below), but could result in greater investor confidence in the quality of financial reporting and
information value of the financial statements, and thus have a positive impact on capital formation.\textsuperscript{283}

\textsuperscript{283} An academic study shows that, when market competition is weak, the information environment affects the expected returns of equity securities. In particular, when financial disclosure quality is low, as measured by scaled accruals quality, companies with low market competition, as measured by the number of shareholders of record, have a higher expected return. All else being equal, higher expected returns make raising capital more costly for the company. See Armstrong, Core, Taylor, and Verrecchia When Does Information Asymmetry Affect the Cost of Capital, Journal of Accounting Research Vol. 49 No. 1 March 2011. The academic literature has developed a measure of the quality of financial reporting denoted accruals quality. This measure quantifies how well accruals are explained either by the cash flow from operations (past, current, and future periods) or accounting fundamentals. For details on the construction and interpretation of the measure see Dechow and Dichev The Quality of Accruals and Earnings: The Role of Accrual Estimation Errors The Accounting Review, Vol. 77, Supplement 2002 pp. 35- 39; and Francis, LaFond, Olsson, and Schipper The market pricing of accruals quality Journal of Accounting and Economics 29 (2005) 295-327.

**Quote #7**

Please read the below excerpt from “Proposed Rule: Amendments to Smaller Reporting Company Definition” particularly relating to its citation of "Unintended Consequences ofGranting Small Firms Exemptions From Securities Regulation: Evidence From The Sarbanes-Oxley Act".

The advantage of this alternative would be twofold. First, it would provide a uniform exemption from the auditor attestation about the effectiveness of internal controls over financial reporting for all smaller reporting companies, which could potentially simplify the regulatory framework. Second, it could lead to greater cost savings for the newly eligible registrants. Although there is debate on whether the direct cost of Section 404(b) is substantial for the 53 majority of registrants, there are academic studies suggesting that the cost was non-trivial for smaller registrants when Section 404(b) was first implemented in 2004, and that expenses related to Section 404(b) compliance have decreased over time as companies and their auditors gained more experience with the requirements and as a result of steps taken by both the Commission and the Public Company Accounting Oversight Board. There also may be indirect costs associated with Section 404(b), such as, among other things, increasing smaller registrants’ propensity to go private or decreasing their propensity to go public or altering their incentives to grow by undertaking less investment.\textsuperscript{102} Extending the exemption also could lead to a reduction of these indirect costs, although this reduction is difficult to quantify.

\textsuperscript{102} See Gao, Feng, Joanna Wu, and Jerold Zimmerman, Unintended Consequences of Granting Small Firms Exemptions From Securities Regulation: Evidence From The Sarbanes-Oxley Act, Journal of Accounting Research, Vol. 49, No. 2, 459–506 (2009) (providing evidence that the exemption from Section 404 for nonaccelerated filers has created an incentive for some of these firms to remain below the bright-line threshold of $75 million of public float).

**Quote #8**

Please read the below excerpt from “Proposed Rule: Incentive-based Compensation Arrangements” particularly relating to its citation of "Stock options and managerial incentives for risk taking: Evidence from FAS 123R".
For senior executive officers and significant risk-takers at Level 1 and Level 2 covered institutions, the proposed rule would limit the amount of stock option-based compensation that can qualify for mandatory deferral at 15 percent, effectively placing a cap on the use of stock options as part of the incentive-based compensation arrangements for senior executive officers and significant risk-takers at Level 1 and Level 2 covered institutions. This implies that 45 percent of incentive-based compensation would have to be in some other form to fulfill the 60 percent deferral amount for a senior executive officer or significant risk-taker at a Level 1 and Level 2 covered institution. As discussed in the Broad Economic Considerations section, the payoff structure from stock options is asymmetric and thus generates incentives for executives to undertake risks. For the financial services industry in general, economic studies find that higher levels of stock options in compensation arrangements of publicly traded bank CEOs are positively related to multiple measures of risk, such as equity volatility. Thus, limiting the use of stock options in compensation arrangements could result, on average, in lower risk-taking incentives for senior executive officers and significant risk-takers at Level 1 and Level 2 covered institutions. As previously noted, however, the link between stock options and risk-taking is not indisputable. For example, a study that examined the effect of a decrease in the provision of stock options in compensation arrangements due to an unfavorable change in accounting rules regarding option expensing, did not identify decreased risk-taking by executives as a response to a decrease in stock options awards.425

425 See Hayes, R., Lemmon, M., Qiu, M., 2012. ‘Stock options and managerial incentives for risk taking: Evidence from FAS 123R’, Journal of Financial Economics 105, 174-190. This study examines the effect of changes in option-based compensation, due to a change in the accounting treatment of stock options in 2005, on risk-taking behavior. Firms significantly reduce the use of stock options in compensation arrangements as a response to the unfavorable treatment of stock options in financial statements. However, the study finds little evidence that the decline in option usage resulted in less risky investment and financial policies.

Quote #9
Please read the below excerpt from “Proposed Rule: Amendments to Smaller Reporting Company Definition” particularly relating to the academic citations.

As a secondary effect of the proposed amendments, a lower disclosure burden could spur growth in smaller registrants to the extent that the compliance cost savings and other resources (e.g., managerial effort) devoted to disclosure and compliance are productively deployed in alternative ways. It also could encourage capital formation because companies that may have been hesitant to go public may choose to do so if they face reduced disclosure requirements.80

Many investment advisers, in connection with trades placed on behalf of their registered investment company, or “fund,” clients, receive brokerage and research services in reliance on the safe harbor provided under section 28(e)1 of the Securities Exchange Act of 1934 (“Exchange Act”). In recent years, changes in client commission practices, evolving technologies, and marketplace developments have transformed the brokerage and investment management industries and securities trading practices. In recognition of changing market conditions and current industry practices, in July 2006, we issued an interpretive release that provided guidance to investment advisers with respect to, among other things, the scope of the safe harbor provided under section 28(e) when advisers use brokerage commissions to purchase brokerage and research services for their managed accounts. In addition to providing guidance to investment advisers on their use of soft dollars, we believe it is important to provide guidance to fund boards of directors concerning their responsibilities to oversee the adviser’s satisfaction of its best execution obligations, including the adviser’s use of fund brokerage commissions and the overall transaction costs that the fund incurs when the fund buys or sells portfolio securities. As we have stated previously, transaction costs are a concern for fund investors for two reasons. First, for many funds, the amount of transaction costs incurred may be substantial.  
Second, fund advisers are subject to a number of potential conflicts of interest in conducting portfolio transactions on behalf of clients that are funds. Fund brokerage commissions, which are paid out of fund assets, may, for example, be used to obtain brokerage and research services under section 28(e) of the Exchange Act that might otherwise be paid for directly by the fund’s investment adviser.

For example, one study estimates that the average annual trading cost for a sample of 1706 U.S. equity funds during the period 1995-2005 was almost 20 percent higher than the average expense ratio for those funds. These estimates include the effect of commissions, spreads, and market impact costs. Roger M. Edelen, Richard Evans & Gregory Kadlec, Scale Effects in Mutual Fund Performance: The Role of Trading Costs (working paper dated March 17, 2007), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=951367.

Both proposed Rule 14a-11 and the amendments to Rule 14a-8(i)(8) may result in improved company performance, arising from improvements in board performance. First, both proposals, by increasing the chances of a shareholder-nominated director to be elected to the board, may increase the potential for incumbent directors to face closer scrutiny from outsiders. Faced with this new prospect, incumbent directors may work more diligently to signal their commitment to improving the performance of the board and, relatedly, the company. Company performance may improve to the extent some directors are replaced by other directors whose...
actions are better aligned with the interests of shareholders. Even where incumbents are not replaced, the requirements of the rule can lead to greater accountability on the part of incumbent directors. The level of board accountability will depend on the extent to which directors see a close link between their performance and the prospect of removal.350


Quote #12
Please read the below excerpt from “Proposed Rule: Revisions to Rule 1444 and Rule 145 to Shorten Holding Period for Affiliates and Non-Affiliates” particularly relating to its citation of "How Much Can Marketability Affect Security Values?"

We expect that the increase in the value of these securities would come from several sources under the proposed rule. The first is the increase in the liquidity of the securities. Investors, suppliers, or employees who are restricted from selling securities and who cannot hedge their positions are generally exposed to more risk than those who are not subject to such limitations, and generally require higher compensation (or a larger discount) for this risk. We should also expect that the longer the non-trading period, the higher the premium that investors charge for their lack of liquidity.176 Thus, reducing the time limit for selling these securities in the market is likely to reduce the discount that investors will charge for these securities, or the amount of securities that the company will need to provide for services. The actual reduction in this cost of capital will depend on the extent to which the six-month limit has a binding impact on security holders’ decisions to resell their securities, and the extent to which investors, employees, or service providers can protect themselves against such exposure.

176 We are not aware of any empirical work that examines the effect of shortening the holding period in Rule 144 on the discount. Longstaff (1995) calculates an upper bound for percentage discounts for lack of marketability. According to his model, drops in a restriction from two years to one year and from one year to 180 days are associated each with a 30% drop in the discount, Longstaff, F. A., How Much Can Marketability Affect Security Values? Journal of Finance, 50, 1767-1774 (1995).

Quote #13
Please read the below excerpt from “Proposed Rule: Facilitating Shareholder Director Nominations” particularly relating to its citation of "CEO Involvement in the Selection of New Board Members: An Empirical Analysis".

Similarly, the inclusion in company proxy materials of shareholder nominees for director under proposed Rule 14a-11, or the possibility of shareholder nominees being included in company proxy materials pursuant to shareholder-initiated amendments to a company’s governing documents permitted by the proposed amendments to Rule 14a-8, may enhance the quality of the
shareholders’ voice and result in a board whose interests are better aligned with shareholders’ interests.\footnote{Published research has reported that when chief executive officers are more involved in the nomination independent directors, stock price reactions to independent director appointments are significantly lower, and companies appoint fewer independent directors. See Anil Shivdasani & David Yermack, “CEO Involvement in the Selection of New Board Members: An Empirical Analysis,” 54 J. Finance 1829 (1999). This evidence is consistent with the idea that limiting total management control of the nomination process improves accountability.}

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\textbf{Quote #14}

Please read the below excerpt from “Proposed Rule: Amendments to Facilitate Intrastate and Regional Securities Offerings” particularly relating to its academic citations.

Startups and small businesses can potentially access a variety of external financing sources in the capital markets through, for example, registered or unregistered offerings of debt, equity or hybrid securities and bank loans. Issuers seeking to raise capital must register the offer and sale of securities under the Securities Act or qualify for an exemption from registration under the federal securities laws. Registered offerings, however, are generally too costly to be viable alternatives for startups and small businesses. Issuers conducting registered offerings must pay Commission registration fees, legal and accounting fees and expenses, transfer agent and registrar fees, costs associated with periodic reporting requirements and other regulatory requirements, and various other fees. Two surveys concluded that the average initial compliance cost associated with conducting an initial public offering is $2.5 million, followed by an ongoing compliance cost for issuers, once public, of $1.5 million per year. Moreover, issuers conducting registered offerings usually pay underwriter fees, which average approximately 7% for initial public offerings, approximately 5% for follow-on equity offerings and approximately 1-1.5% for public bond issuances.\footnote{See, e.g., Hsuan-Chi Chen and Jay R. Ritter, “The Seven Percent Solution,” 55 J. FIN. 1105–1131 (2000); Mark Abrahamson, Tim Jenkinson, and Howard Jones, “Why Don't U.S. Issuers Demand European Fees for IPOs?” 66 J. FIN. 2055–2082 (2011); Shane A. Corwin, “The Determinants of Underpricing for Seasoned Equity Offers,” 58 J. FIN. 2249–2279 (2003); Lily Hua Fang, “Investment Bank Reputation and the Price and Quality of Underwriting Services,” 60 J. FIN. 2729–2761 (2005); Rongbing Huang and Donghang Zhang, “Managing Underwriters and the Marketing of Seasoned Equity Offerings,” 46 J. FIN. QUANT. ANALYSIS 141–170 (2011); Stephen J. Brown, Bruce D. Grundy, Craig M. Lewis and Patrick Verwijmeren, “Convertibles and Hedge Funds as Distributors of Equity Exposure,” 25 REV. FIN. STUD. 3077-3112 (2012).} Hence, for an issuer seeking to raise less than $5 million, a registered offering typically may not be economically feasible.
IA 4. State of Related Literature Question from Second Survey

Notes: This question had been included in our second survey, but was excluded from analysis within the paper because of the small sample size. The purpose of this question was to see if the survey participants’ feelings about the depth of the literature matched with SEC discussion of the literature. We find that survey participants feel that there was no or little related literature for rules that had no or little academic citations. Participants were randomly shown three of the following rules. Below are the general instructions given and the specific topics. For each topic, the response options were: Large related literature, Moderately sized literature, Small literature, No literature, and Not sure.

Instruction:

For the following regulation topics, you will be asked about your opinions of the depth of academic literature related to that topic at a given time. Related literature can include any academic papers that might help the SEC evaluate the effects of a proposed rule. General papers on disclosure, cost of capital, asset pricing, corporate governance, etc., which are not related to the specific institutional details of the setting but are tied to the clear economic trade-offs, can be considered related literature.

For each rule you will be given the title and summary of what the regulation changes were.

Feel free to use google scholar and search SSRN if you need to, but we are interested in your discretion about what constitutes related literature.

Regulation Topics:

Regulation topic #1

Crowdfunding

Regulation Crowdfunding prescribes rules governing the offer and sale of securities under new Section 4(a)(6) of the Securities Act of 1933. Regulation Crowdfunding also provides a framework for the regulation of registered funding portals and broker-dealers that issuers are required to use as intermediaries in the offer and sale of securities in reliance on Section 4(a)(6). In addition, Regulation Crowdfunding conditionally exempts securities sold pursuant to Section 4(a)(6) from the registration requirements of Section 12(g) of the Securities Exchange Act of 1934.

What was the state of the related academic literature as of 2015?

Regulation topic #2

Money Market Fund Reform

The amendments will tighten the risk-limiting conditions of rule 2a-7 by, among other things, requiring funds to maintain a portion of their portfolios in instruments that can be readily converted to cash, reducing the maximum weighted average maturity of portfolio holdings, and improving the quality of portfolio securities; require money market funds to report their portfolio holdings monthly to the
Commission; and permit a money market fund that has “broken the buck” (i.e., re-priced its securities below $1.00 per share), or is at imminent risk of breaking the buck, to suspend redemptions to allow for the orderly liquidation of fund assets. The amendments are designed to make money market funds more resilient to certain short-term market risks, and to provide greater protections for investors in a money market fund that is unable to maintain a stable net asset value per share.

What was the state of the related academic literature as of 2010?

**Regulation topic #3**

Proxy Disclosure Enhancements

The amendments will require registrants to make new or revised disclosures about: compensation policies and practices that present material risks to the company; stock and option awards of executives and directors; director and nominee qualifications and legal proceedings; board leadership structure; the board’s role in risk oversight; and potential conflicts of interest of compensation consultants that advise companies and their boards of directors. The amendments to our disclosure rules will be applicable to proxy and information statements, annual reports and registration statements under the Securities Exchange Act of 1934, and registration statements under the Securities Act of 1933 as well as the Investment Company Act of 1940. We are also transferring from Forms 10-Q and 10-K to Form 8-K the requirement to disclose shareholder voting results.

What was the state of the related academic literature as of 2009?

**Regulation topic #4**

Amendment to Municipal Securities Disclosure

This final rule amends certain requirements regarding the information that the broker, dealer, or municipal securities dealer acting as an underwriter in a primary offering of municipal securities must reasonably determine that an issuer of municipal securities or an obligated person has undertaken, in a written agreement or contract for the benefit of holders of the issuer’s municipal securities, to provide. Specifically, the amendments require the broker, dealer, or municipal securities dealer to reasonably determine that the issuer or obligated person has agreed: to provide the information covered by the written agreement to the Municipal Securities Rulemaking Board (“MSRB” or “Board”), instead of to multiple nationally recognized municipal securities information repositories (“NRMSIRs”) and state information depositories (“SIDs”); and to provide such information in an electronic format and accompanied by identifying information as prescribed by the MSRB. The Commission’s rulemaking is intended to improve the availability of information about municipal securities to investors, market professionals, and the public generally. Concurrently, we have approved a companion proposal by the MSRB relating to its Electronic Municipal Market Access (“EMMA”) system for municipal securities disclosures.

What was the state of the related academic literature as of 2008?
**Regulation topic #5**

Identity Theft Reg Flags Rules

First, the rules require financial institutions and creditors to develop and implement a written identity theft prevention program designed to detect, prevent, and mitigate identity theft in connection with certain existing accounts or the opening of new accounts. The rules include guidelines to assist entities in the formulation and maintenance of programs that would satisfy the requirements of the rules. Second, the rules establish special requirements for any credit and debit card issuers that are subject to the Commissions’ respective enforcement authorities, to assess the validity of notifications of changes of address under certain circumstances.

What was the state of the related academic literature as of 2013?

**Regulation topic #6**

“Naked” Short Selling Antifraud Rule

The Securities and Exchange Commission (“Commission”) is adopting an antifraud rule under the Securities Exchange Act of 1934 (“Exchange Act”) to address fails to deliver securities that have been associated with “naked” short selling. The rule will further evidence the liability of short sellers, including broker-dealers acting for their own accounts, who deceive specified persons about their intention or ability to deliver securities in time for settlement (including persons that deceive their broker-dealer about their locate source or ownership of shares) and that fail to deliver securities by settlement date.

What was the state of the related academic literature as of 2008?

**Regulation topic #7**

Conflict Minerals

Section 1502 added Section 13(p) to the Securities Exchange Act of 1934, which requires the Commission to promulgate rules requiring issuers with conflict minerals that are necessary to the functionality or production of a product manufactured by such person to disclose annually whether any of those minerals originated in the Democratic Republic of the Congo or an adjoining country. If an issuer’s conflict minerals originated in those countries, Section 13(p) requires the issuer to submit a report to the Commission that includes a description of the measures it took to exercise due diligence on the conflict minerals’ source and chain of custody. The measures taken to exercise due diligence must include an independent private sector audit of the report that is conducted in accordance with standards established by the Comptroller General of the United States. Section 13(p) also requires the issuer submitting the report to identify the auditor and to certify the audit. In addition, Section 13(p) requires the report to include a description of the products manufactured or contracted to be manufactured that are not “DRC conflict free,” the facilities used to process the conflict minerals, the country of origin of the conflict
minerals, and the efforts to determine the mine or location of origin. Section 13(p) requires the information disclosed by the issuer to be available to the public on its Internet website.

What was the state of the related academic literature as of 2012?

**Regulation topic #8**

Exhibit Hyperlinks and HTML Format

We are adopting amendments that will require registrants that file registration statements and reports subject to the exhibit requirements under Item 601 of Regulation S-K, or that file Forms F-10 or 20-F, to include a hyperlink to each exhibit listed in the exhibit index of these filings. To enable the inclusion of such hyperlinks, the amendments also require that registrants submit all such filings in HyperText Markup Language (“HTML”) format.

What was the state of the related academic literature as of 2017?

**Regulation topic #9**

Foreign Issuer Reporting Enhancement

We are adopting a number of amendments to our rules relating to foreign private issuers that are intended to enhance the information that is available to investors. These amendments are part of a series of initiatives that seek to effect changes in our disclosure and other requirements applicable to foreign private issuers in light of market developments, new technologies and other matters in a manner that promotes investor protection and cross-border capital flows. We are adopting amendments that would enable foreign issuers to test their eligibility to use the special forms and rules available to foreign private issuers once a year, rather than continuously. We also are adopting amendments to change the deadline for annual reports filed by foreign private issuers and to eliminate an option under which foreign private issuers are permitted to omit segment data from their U.S. GAAP financial statements, and an amendment to the rule pertaining to going private transactions to reflect the new termination of reporting and deregistration rules for foreign private issuers. In addition, we are adopting amendments that would revise the annual report and registration statement forms used by foreign private issuers to improve certain disclosures provided in these forms.

What was the state of the related academic literature as of 2008?