

automated inter-dealer quotation system of a national securities association or to issuers of such securities.

#### Instructions to § 240.10A-3

1. The requirements in paragraphs (b)(2) through (b)(5), (c)(3)(v) and (c)(3)(vi) of this section do not conflict with, and do not affect the application of, any requirement or ability under a listed issuer's governing law or documents or other home country legal or listing provisions that requires or permits shareholders to ultimately vote on, approve or ratify such requirements. The requirements instead relate to the assignment of responsibility as between the audit committee and management. In such an instance, however, if the listed issuer provides a recommendation or nomination regarding such responsibilities to shareholders, the audit committee of the listed issuer, or body performing similar functions, must be responsible for making the recommendation or nomination.

2. The requirements in paragraphs (b)(2) through (b)(5), (c)(3)(v), (c)(3)(vi) and Instruction 1 of this section do not conflict with any legal or listing requirement in a listed issuer's home jurisdiction that prohibits the full board of directors from delegating such responsibilities to the listed issuer's audit committee or limits the degree of such delegation. In that case, the audit committee, or body performing similar functions, must be granted such responsibilities, which can include advisory powers, with respect to such matters to the extent permitted by law, including submitting nominations or recommendations to the full board.

3. The requirements in paragraphs (b)(2) through (b)(5), (c)(3)(v) and (c)(3)(vi) of this section do not conflict with any legal or listing requirement in a listed issuer's home jurisdiction that vests such responsibilities with a government entity or tribunal. In that case, the audit committee, or body performing similar functions, must be granted such responsibilities, which can include advisory powers, with respect to such matters to the extent permitted by law.

4. For purposes of this section, the determination of a person's beneficial ownership must be made in accordance with § 240.13d-3.

#### ■ 7. Amend § 240.14a-101 by:

- a. Adding a sentence to the end of paragraph (d)(1) of Item 7;
- b. Revising paragraph (d)(3)(iv) of Item 7; and
- c. Revising the introductory text of paragraph (b)(14) of Item 22.

The additions and revisions read as follows:

#### § 240.14a-101 Schedule 14A. Information required in proxy statement.

##### Schedule 14A Information

\* \* \* \* \*

#### Item 7. Directors and executive officers.

\* \* \*

(d)(1) \* \* \* Such disclosure need not be provided to the extent it is duplicative of disclosure provided in accordance with Item 401(i) of Regulation S-K (§ 229.401(i) of this chapter).

\* \* \* \* \*

(3) \* \* \*

(iv)(A) If the registrant is a listed issuer, as defined in § 240.10A-3:

(1) Disclose whether the members of the audit committee are independent, as independence for audit committee members is defined in the listing standards applicable to the listed issuer. If the registrant does not have a separately designated audit committee, or committee performing similar functions, the registrant must provide the disclosure with respect to all members of its board of directors.

(2) If the listed issuer's board of directors determines, in accordance with the listing standards applicable to the listed issuer, to appoint a director to the audit committee who is not independent (apart from the requirements in § 240.10A-3) because of exceptional or limited or similar circumstances, disclose the nature of the relationship that makes that individual not independent and the reasons for the board of directors' determination.

(B) If the registrant, including a small business issuer, is not a listed issuer, disclose whether the registrant has an audit committee established in accordance with section 3(a)(58)(A) of the Act (15 U.S.C. 78c(a)(58)(A)) and, if so, whether the members of the committee are independent. In determining whether a member is independent, the registrant must use a definition for audit committee member independence of a national securities exchange registered pursuant to section 6(a) of the Act (15 U.S.C. 78f(a)) or a national securities association registered pursuant to section 15A(a) of the Act (15 U.S.C. 78o-3(a)) that has been approved by the Commission (as such definition may be modified or supplemented), and state which definition was used. Whichever definition is chosen must be applied consistently to all members of the audit committee.

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#### Item 22. Information required in investment company proxy statement.

\* \* \*

(b) \* \* \*

(14) State whether or not the Fund has a separately designated audit committee established in accordance with section 3(a)(58)(A) of the Act (15 U.S.C.

78c(a)(58)(A)). If the entire board of directors is acting as the Fund's audit committee as specified in section 3(a)(58)(B) of the Act (15 U.S.C. 78c(a)(58)(B)), so state. If applicable, provide the disclosure required by § 240.10A-3(d) regarding an exemption from the listing standards for audit committees. Identify the other standing committees of the Fund's board of directors, and provide the following information about each committee, including any separately designated audit committee:

\* \* \* \* \*

#### PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

■ 8. The general authority citation for Part 249 is revised to read as follows:

**Authority:** 15 U.S.C. 78a, *et seq.*, and 7202, unless otherwise noted.

\* \* \* \* \*

■ 9. Amend Form 20-F (referenced in § 249.220f) by:

- a. Revising the Instruction to Item 6.C;
- b. Revising paragraph (a)(2) of Item 16A;
- c. Revising instruction 3 to Item 16A; and
- d. Adding Item 16D.

The additions and revisions read as follows:

**Note:** The text of Form 20-F does not, and this amendment will not, appear in the Code of Federal Regulations.

#### Form 20-F

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#### Item 6. Directors, Senior Management and Employees

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##### Instructions to Item 6.C

1. The term "plan" is used very broadly and includes any type of arrangement for compensation, even if the terms of the plan are not contained in a formal document.

2. If the company is a listed issuer as defined in Exchange Act Rule 10A-3 (17 CFR 240.10A-3) and its entire board of directors is acting as the company's audit committee as specified in section 3(a)(58)(B) of the Exchange Act (15 U.S.C. 78c(a)(58)(B)), so state.

3. If the company has a board of auditors or similar body, as described in Exchange Act Rule 10A-3(c)(3) (17 CFR 240.10A-3(c)(3)), the disclosure required by this Item 6.C. with regard to the company's audit committee can be provided with respect to the company's board of auditors, or similar body.

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