February 8, 2006

Securities and Exchange Commission
Attn. Mr. Jonathan G. Katz, Secretary
Securities Exchange Commission
100 F Street, NE Washington DC
20549-9393 US
File No. S7-12-05

Subject: Proposed Changes to De-Registration Rules for Foreign Private Issuers

Ladies and Gentlemen:

We submit this letter in response to the Commission's invitation in Securities Exchange Act Release No. 34-53020 (the "Release") for comments on its proposal to amend the rules related to allowing a Foreign Private Issuer to terminate its registration of a class of securities under Section 12(g) of the Securities Exchange Act of 1934 (the "Exchange Act") or terminate its reporting obligations under Section 15(d) of the Exchange Act.

We welcome the amendments proposed by the Commission but would like to make the following proposals:

1. Proposed Rule 12h-6 should be modified to allow for deregistration and termination of reporting upon a vote by a Foreign Private Issuer's shareholders under certain circumstances.

2. Qualified institutional buyers ("QIBs") as defined in Rule 144A under the Securities Act of 1933 (the "Securities Act") should be excluded from the calculation of US shareholders for all purposes under Proposed Rule 12h-6.

3. The threshold for the number of US residents which qualifies a company to de-register or terminate its reporting obligations under Rule 12h-6(a)(6) should be increased to 1,000.

4. While outside the scope of the Release, we believe there should be no reporting obligations for a Foreign Private Issuer under Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") if there is little or no trading volume in the US.

1. DEREGISTRATION UPON SHAREHOLDER APPROVAL

Proposed Rule 12h-6 would permit a Foreign Private Issuer to de-register and terminate reporting based on specified thresholds related to trading volume in the US and percentage of ownership by US residents compared to a company's world wide public float. We submit that, in addition to any threshold the Commission might adopt, there should be a possibility for the shareholders of a Foreign Private Issuer to decide on de-registration. Needless to say, such a possibility to decide on de-registration should be coupled with adequate minority protection rules. Such a rule would allow the shareholders to weigh pros and cons of a dual listing and

ultimately decide on de-registration while allowing a significant minority opposing such de-registration an opportunity to block the decision.

We accordingly propose that where the percentage of shares in a company held by US residents exceeds ten percent a delisting should be allowed following a decision at a shareholders meeting where shareholders representing more than ninety percent of the shares represented at the meeting support the decision.

It could be argued that de-registration is a change in the nature of the investment of a security holder. It is, however, not the only or most significant circumstance in which such a change can occur. For example, a company can change the nature of its business, make substantial acquisitions or merge with another company. In such circumstances, local corporate law systems typically provide for minority protection rules governing that the decision should be made at a shareholders meeting by a qualified majority of the shareholders present in the meeting.

2. EXCLUDING QIBS

Proposed Rule 12h-6 does not distinguish between different types of US investors for counting purposes. It seems somewhat anomalous to us in this context to treat a sophisticated large-scale institutional investor in the same manner as an individual investor. QIBs have the expertise to assess Foreign Private Issuers according to the reporting requirements and regulations in their respective home markets, and accordingly do not seem to need the same degree of protection as other investors. For example, under the present rules an unregistered company can sell an unlimited amount of its securities to a large number of QIBs in transactions that are exempt from registration under the Securities Act.

We hence suggest that Qualified Institutional Buyers ("QIBs") should be excluded when calculating the number of US residents for all purposes under Proposed Rule 12h-6.

3. RAISING THE THRESHOLD TO 1,000

Proposed Rule 12h-6(a)(6) provides that if a Foreign Private Issuer does not meet the trading volume or percentage US shareholder limits of Proposed Rule 12h-6(a)(4) or (5), it may still deregister and terminate its Exchange Act reporting obligation with regard to a class of equity securities held of record by less than 300 persons on a worldwide basis, or less than 300 US residents. The Commission has invited comments on whether or not this number is an appropriate threshold.

As the Release itself acknowledges (at page 8) the threshold of 300 US residents was introduced a number of decades ago. Since then the interest in international capital markets has increased significantly and the shareholder base of most companies have changed. The threshold of 300 US residents has therefore become outdated to a point where we believe it is no longer a fully appropriate test for US market interest in a foreign company's equity securities.

We accordingly submit that the threshold of Rule 12h-6(a) should be increased to 1000 US residents.[1]

[1] Consistent with the proposal in point 2 above, we believe only non-QIB shareholders should be counted toward the 1,000 sharehoder limit.

4. EXCLUDING FOREIGN PRIVATE ISSUERS FROM THE SCOPE OF SECTION 404 OF THE SARBANES-OXLEY ACT

We recognize that the Commission has not solicited comments with respect the Sarbanes-Oxley Act. But we also believe there is a direct connection between deregistration and the Sarbanes-Oxley Act, and in particular Section 404 of the Act, because the costs and burdens of Section 404 are a substantial factor leading Foreign Private Issuers to consider deregistration.

Reporting on internal control under Section 404 is by far the most costly reporting requirement associated with dual reporting. As a result of such reporting Foreign Private Issuers are often subject to more than one internal control regime causing very significant additional costs at all levels in the reporting companies. There is significant concern that compliance with dual reporting creates little value for shareholders in Foreign Private Issuers where there is little or no trading volume in the US and increased administrative burdens and costs that result in lower returns to investors. We suggest that the Commission should not only propose new rules for de-registration but should also limit the costs associate with dual reporting for companies remaining registered.

We accordingly propose that Foreign Private Issuers for which there is little or no trading volume in the US should be exempted from reporting under SOX 404.

We appreciate the opportunity to comment on the proposals contained in the Release. We are available to discuss the foregoing with the Commission. Please direct all enquiries to Lars Dahlgren at +46 8 658 0441 (lars.dahlgren@swedishmatch.com) or Fredrik Peyron at +46 8 658 0323 (fredrik.peyron@swedishmatch.com).

Sincerely yours

Lars Dahlgren
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