PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
400 Campus Dr.
Florham Park NJ 07932
Telephone (973) 236 4000
Facsimile (973) 236 5000
www.pwc.com

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington DC 20549-9303

March 3, 2006

RE: File Number S7-12-05

Dear Mr. Katz,

We appreciate the opportunity to provide our perspectives on *Termination of a Foreign Private Issuer's Registration of a Class of Securities Under Section 12(g) and Duty to File Reports Under Section 15(d) of the Securities Exchange Act of 1934* ("Deregistration").

We support the development of rules to make it easier for foreign private issuers to deregister. We have a number of clients that are currently subject to increasing regulatory burdens in the U.S. even though they have a relatively small U.S. shareholder base. Primarily as a result of the increasingly demanding regulatory environment, many of these companies no longer believe that being listed on a U.S. exchange and registered with the U.S. Securities and Exchange Commission ("SEC" or "Commission") is cost beneficial. A number of our foreign private issuer clients have delisted and deregistered for this reason. Many more have expressed a strong desire to terminate their registration, but have been precluded from doing so because of the restrictive nature of the existing rules which are addressed by this proposal.

We support this initiative. However, we believe the proposed rules are unnecessarily complex and that many of the proposed requirements will have limited applicability in practice and some will provide little investor protection. In addition, we do not support making a distinction in the criteria to deregister between issuers that are well-known seasoned issuers and those that are not well-known seasoned issuers. As a general principle, subject to certain conditions, we believe a foreign private issuer should be able to terminate its registration when no more than 10 percent of the class of voting and non-voting equity securities is held by U.S. residents.

As outlined below, after years of growth the number of foreign private issuers entering the SEC's Exchange Act registration and reporting system is declining. Companies that historically looked to the U.S. as a market for listing their shares outside of their home country are increasingly looking to other markets. We know the Commission is concerned about the

declining number of foreign private issuers that want to enter the U.S. system, and we share that concern. Unfortunately, changing the rules to allow more companies to exit the system will not encourage more companies to enter the system. Accordingly, we believe it is in the public interest for the Commission to do more to encourage foreign private issuers to enter the Commission's reporting system.

COMMENTS ON THE PROPOSAL

With respect to the proposal, we have included as Attachment 1 the detailed responses to your requests for comment. A summary of the key points is presented below:

Suspension vs. Termination – We support the view that registration should be able to be terminated as opposed to only suspended.

Two-Year Exchange Act Reporting – We believe a company that meets the size threshold regarding U.S. resident shareholders should be allowed to terminate its registration without having to observe a waiting period, such as the two-year period described in the proposal. First, we see minimal benefit in requiring a company that wants to terminate its registration to file an additional annual report. Second, we believe companies would not generally incur the cost to become an SEC registrant if they intended to deregister within a two-year period. If the Commission is concerned that companies will enter the Exchange Act reporting system and leave quickly, it could address this by providing that a company may not leave during the two-year period following registration unless this possibility is disclosed prominently as a "risk factor" or under Item 9 "The Offer and Listing" in the registration statement.

As a practical matter, this proposed requirement may discourage some foreign companies from making offers to purchase U.S. companies. While there are numerous exemptions from registration, there can be situations in which a foreign private issuer making an exchange offer could become subject to Exchange Act reporting. Some of these companies may be willing to register as long as they are not then subject to ongoing reporting requirements.

One-Year Dormancy – Under the proposal, with the exception of shares sold to employees, both registered and exempt offering could not take place during the dormancy period if a company desired to deregister. We believe establishing a one-year dormancy requirement as a condition for terminating registration is unnecessary for investor protection and could be detrimental to U.S. investors and the capital markets.

We recommend that the Commission eliminate this proposed condition. If it is not eliminated, we recommend that the condition be limited to registered capital raising transactions. Non-capital raising transactions, exempt transactions, and transactions such as rights offerings in which non-participation would be harmful to U.S. shareholders, should not be subject to the one-year dormancy requirement.

Non-capital raising transactions, such as secondary offerings, generally occur for the benefit of investors rather than the company. Accordingly, this proposed condition would deny investors that investment opportunity for a period of time. In our view, it is not in the public interest to

create a condition that could preclude such transactions from taking place merely because the company wants to deregister. Companies that want to deregister should have the same access to the institutional market through exempt transactions, such as those under Rule 144A, as any other company. Further, we believe that investors in exempt transactions do not make investment decisions with the expectation that the company will maintain its registration.

We are also concerned that this condition could, effectively, provide an incentive for companies contemplating a rights offering or an exchange offer, but that are also contemplating deregistration, to exclude U.S. investors from these offers - which would be detrimental to U.S. shareholders.

Home-Country Listing - We support the concept that as a condition of deregistration, a company's securities should be traded in another market with some form of regulatory oversight. However, we do not agree with the proposal that a "primary trading market" should mean that 55 percent of the trading volume occurs in one market. There are a number of companies that trade in multiple markets. Although some of those companies may not be able to meet the 55 percent threshold, they are still subject to regulatory oversight. Accordingly, we believe it is unnecessary to establish a minimum threshold for the primary market outside of the U.S. If the Commission establishes such a threshold, we recommend it be significantly lower than 55 percent.

Public Float - We support the proposal to exclude securities held by affiliates from the denominator in the calculation of the ownership percentage held by U.S. residents. We recommend, however, that shares held by affiliates also be excluded from the numerator in that calculation. We believe that a company that wants to deregister should not be required to continue its reporting obligation merely because it may have an affiliate that is a U.S. resident.

Size of the Issuer – Under the proposal, both large and small companies could terminate their registration if 5 percent or less of their securities were held by U.S. residents. Well-known seasoned issuers, as defined, could terminate their registrations if less than 10 percent of their shares were held by U.S. residents and U.S. trading volume accounted for 5% or less of the trading volume of the primary market. Accordingly, a well-known seasoned issuer could terminate its registration despite having twice as many shares held by U.S. residents on a relative basis than an issuer that is not a well-known seasoned issuer, provided the trading volume criteria were met.

We recommend that the rule not make a distinction between "well-known seasoned issuers" and non "well-known seasoned issuers". We believe the deregistration criteria should be the same for all issuers regardless of size. We believe a company with less than 10% of its public float held by U.S. residents should be allowed to terminate its registration regardless of it size. Further, it seems counter-intuitive to us to hold smaller companies to a higher threshold to qualify for deregistration than larger companies. The incremental costs of maintaining a registration are generally disproportionately greater for smaller companies than for larger companies.

Trading Volume - We believe it is unnecessary to establish a condition for termination of registration based on U.S. trading volume. U.S. trading volume is not necessarily indicative of the significance of the interest that U.S. investors have in a company. For example, a significant portion of the larger trades by U.S. residents often takes place in a primary market - not the U.S. market. When a company wants to terminate its registration, it will first have to terminate its listing with the U.S. exchange and will frequently terminate its sponsored ADR program. When that happens, the trading will migrate to the overseas market (i.e., the primary trading market), and the company can be expected to have only minimal trading in its securities in the U.S. Accordingly, a trading volume condition would have limited applicability in practice.

Number of Shareholders – If the Commission adopts the size criteria either as proposed or as we recommend, we believe that criteria will generally be more accommodating than the criteria based on the number of shareholders. However, as there could be a number of small companies that should be allowed to deregister as they have a small number of U.S. shareholders in absolute terms, but exceed the size threshold in relative terms, we believe it would be appropriate for the Commission to increase the number of U.S. shareholders for this criteria. We also recommend that there be symmetry between the requirement to register and the ability to deregister. Accordingly, any increase in the number of shareholders for purposes of deregistration should result in a similar increase in the number of U.S. shareholders that are necessary to require registration.

Counting Method – We support the proposed method for counting shareholders and the proposal to confine the count to a company's home jurisdiction, primary market (if different), and the United States.

Form 15-F– We support the Commission's proposal related to the requirements of Form 15-F.

Notice Requirement – We believe a 15 day notice for shareholders is too short, and recommend that it be increased to at least 30 days to provide shareholders with sufficient time to react to the notice.

Rule 12g3-2(b) of the Exchange Act – We support the proposed rules that would allow companies that terminate their registration to immediately claim exemption under Exchange Act Rule 12g3-2(b). We also support the proposal that would require those companies to provide the applicable information electronically. In addition, we believe that all companies claiming exemption, not just those that have deregistered, should be required to make the applicable information available electronically, subject to a hardship provision.

Registration Thresholds – As noted above, we believe there should be symmetry between the requirement to register with the SEC and the ability to deregister. Accordingly, we believe that the rules requiring a company to register should contain thresholds that mirror the thresholds for terminating registration. For example, if the Commission changes the rule to allow a company to deregister if 10% or less of its shareholders are U.S. residents, the rule requiring registration should also be modified in a similar manner. If a company has 10

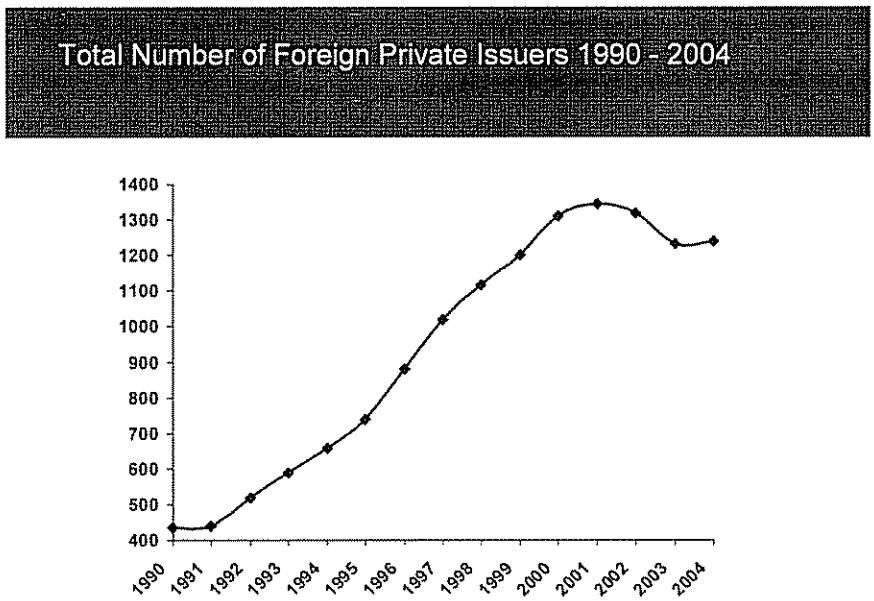
percent or less of its shares held by U.S. residents, it should be exempt from registration. One benefit of this type of symmetry would be the intuitiveness of the requirement. It also would result in far fewer companies needing to claim exemption from registration under 12g3-2(b) of the Exchange Act and furnish the Commission with information because they would be exempt by rule with no action on their part.

Timing for Adoption – Most foreign private issuers will be required to expend significant effort during this year in advance of their reporting on internal control over financial reporting. The costs associated with this reporting are significant. A number of these companies will want to deregister prior to becoming subject to this requirement. We strongly encourage the Commission to adopt a final rule that would allow companies that intend to deregister to do so before they unnecessarily incur additional internal and external costs of reporting on such controls.

ENCOURAGE MORE REGISTRANTS TO ENTER THE SYSTEM

The Commission has long understood that having foreign private issuers listed and trading in the U.S. provides U.S. investors with additional investment opportunities.

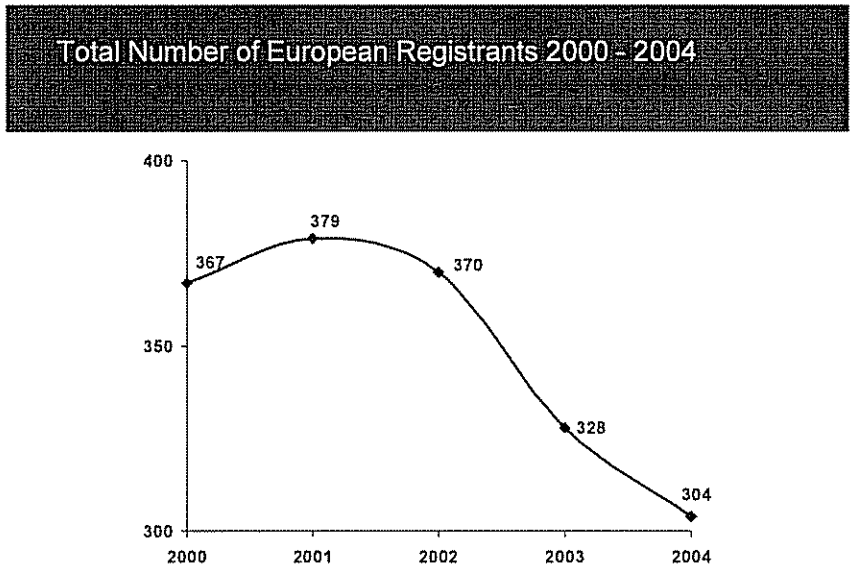
The chart below was developed from information published by the Division of Corporation Finance and shows the number of foreign private issuers over the last 15 years through 2004.



During the 1990s, the Commission made a strong effort to encourage foreign private issuers to register with the SEC. This was done in a number of different forums and included the adoption of a number of rules and policies to reduce the reporting burden on foreign private issuers. There was clear recognition that the Commission needed to have a substantial distinction in the registration and reporting requirements for non-U.S. companies compared to domestic companies to attract non-U.S. companies to become registrants. This chart demonstrates the favorable results – when the rules were designed to encourage registration,

the result was a substantial increase in the number of registrants. The trend changed in 2002 with the enactment of the Sarbanes-Oxley Act and the related Commission rules, which were generally applicable to both foreign private issuers and domestic issuers. The result has been a larger number of foreign private issuers wanting to leave the U.S. market and fewer companies choosing to enter.

The decline during the last few years is even more alarming when focusing only on European companies. The chart below was also prepared from information published by the Division of Corporation Finance.



While the information has not been published by the Commission for 2005, our experience continues to show more companies leaving the system than entering the system. We believe that further growth and development of the markets of the European Union will worsen the trend shown above.

The decision to enter the U.S. market and register with the SEC or to leave the U.S. market has and will continue to be a cost-benefit matter. As indicated above, when the Commission reduced the costs of becoming a registrant and maintaining a registration in the 1990s, more foreign private issuers entered the system. During the last few years, the costs of being subject to the Commission's registration and reporting requirements have increased. These costs are not limited to direct cash costs such as legal fees, management time for preparation, audit fees, etc, but also indirect costs such as increased litigation risk, personal liability risk, and risks associated with being subject to an additional regulator. While the costs have increased, the benefit appears to have declined. As a result of technology changes and the internationalization of the securities markets, the benefit of having the securities traded in the U.S. market has declined – i.e., it has become easier for a U.S. resident to execute a trade in a foreign market.

It has been our experience that more and more companies are finding that registering with the SEC is not cost beneficial. Some examples to support that view include:

- There has been a substantial increase in the number of our non-U.S. clients that are accessing the U.S. market – debt and equity – with exempt transactions. While there is generally a direct cost of not registering the offering, such as higher interest costs, etc. companies are concluding it is more cost beneficial to pay the direct costs than to become subject to the SEC's reporting requirements.
- There are over 7,000 public companies in Europe with about 300 registered with the SEC. Accordingly, over 95% of the public companies in Europe are not registered with the SEC despite the fact that U.S. investors will own shares in a large percentage of these companies.
- According to information published by our affiliate in the United Kingdom, there were 129 international IPOs in the European markets during 2005 compared to only 23 international IPOs in the United States.

Until recently, the U.S. was clearly the premier market and was viewed by many as the "gold standard" for an effective and efficient market that would attract foreign companies. This is no longer the prevailing view by many foreign companies. The competition among markets is strong, and changes need to be made to the Commission's rules if the SEC wants to attract these companies to the U.S. markets. We believe the Commission should evaluate its rules and consider modifying them – consistent with investor protection - to encourage more non-U.S. companies to register with the SEC.

In determining whether to modify its rules, we believe the Commission should consider the fact that U.S. residents are willing to own the shares of a non-U.S. company even if the company is not a U.S. registrant. In many cases, there are thousands of U.S. residents that own shares in foreign companies that are not registrants. This will be even more prevalent if the proposed rule is adopted. We believe from a public policy perspective that U.S. investors would be better served if they were to have some form of U.S. regulatory oversight – even if for some companies it is less than currently exists today. We have some ideas on how this might be achieved and would be pleased to discuss them with the Commission and its staff at their convenience.

* * * * *

PRICEWATERHOUSECOOPERS

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions that the staff may have regarding our response. Please do not hesitate to contact Wayne Carnall (973-236-7233) or Martin Thiselton-Dyer (973-236-5101) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Attachment – As described

TERMINATION OF A FOREIGN PRIVATE ISSUER'S REGISTRATION OF A CLASS OF SECURITIES UNDER SECTION 12(g) AND DUTY TO FILE REPORTS UNDER SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

B. Proposed Exchange Act Rule 12h-6

1. Purpose and Scope of Proposed Rule 12h-6

- **Should we permit a foreign company to terminate permanently its section 15(d) reporting obligations regarding a class of equity securities, as proposed?**
- **Should we instead merely permit a foreign company to suspend its section 15(d) reporting obligations regarding a class of equity securities on the condition that those obligations would resume once it no longer meets the criteria specified under proposed Rule 12h-6?**
- **If so, should we also merely suspend section 12(g) reporting on the same grounds?**
- **Should we permit a foreign company to terminate its section 15(d) reporting obligations regarding a class of debt securities, as proposed?**
- **Should we prohibit a foreign company whose sole Exchange Act reporting obligations arise from a class of debt securities under section 15(d) to terminate those reporting obligations under proposed Rule 12h-6?**
- **Should we merely permit a foreign company to suspend its section 15(d) reporting obligations regarding certain classes of debt securities? If so, what classes of debt securities should we exclude from the proposed Rule 12h-6 termination process?**
- **Should we require a foreign company that has terminated its Exchange Act reporting obligations under proposed Rule 12h-6 to resume Exchange Act reporting if it reaches a certain number or percentage of U.S. resident shareholders? If so, what number or percentage of U.S. shareholders should trigger renewed Exchange Act reporting?**

We support the proposal that would permit a foreign company to terminate permanently its section 15(d) reporting obligations regarding any class of debt or equity securities. The right to terminate permanently those obligations should be permitted regardless of whether those obligations are the sole Exchange Act reporting obligations of the company. We believe that once a foreign company has terminated its Exchange Act reporting requirements then that company should be viewed the same as any other non-registrant. Any subsequent requirement to register and resume Exchange Act reporting should be the same as the requirements that apply to all other non-registrant companies. We do not agree that section 15(d) or section 12(g) reporting should only be capable of "suspension", as defined.

- **Should we add additional conditions to proposed Rule 12h-6, such as a requirement that the issuer self-tender for securities held by U.S. residents?**

  No. We believe that a requirement to self-tender for securities could be problematic in certain jurisdictions around the world where a company would be prohibited from making a tender offer for the shares of just one group of shareholders and thereby discriminate against other shareholder groups. Furthermore, we would view any requirement to self-tender as a "delisting" issue rather than a "deregistration" issue. That is, the decline in investors' liquidity that such a rule would try to protect against would more likely happen when the company delisted. Accordingly, imposing such a requirement after delisting, but before deregistering, would appear to do little to protect the interests of investors. Accordingly, we do not believe this should be a condition for deregistering.

- **Should proposed Rule 12h-6 require issuers to establish a share-sale facility as a condition to termination of registration, through which U.S. holders of securities would be able to dispose of securities without incurring brokerage or other fees? If so, for what period of time would an issuer be required to maintain such a facility – one month, two months, or longer or shorter?**

  We do not believe that the rule should require issuers to establish a share-sale facility as a condition to termination of registration. As stated above, we believe that delisting rather than deregistration is more likely to be the event that results in the loss of liquidity for the investor and such a condition would unnecessarily preclude companies from deregistering with little or no incremental benefit to the investor.

- **How frequently do foreign companies find that, after filing Form 15, the number of their U.S. resident shareholders has increased and exceeds the 300 U.S. resident shareholder threshold?**

- **How unlikely is it that, once a foreign company has met the proposed Rule 12h-6 criteria and taken the other steps to effect termination of its reporting, U.S. trading or U.S. resident holdings in the subject class of securities would increase to an extent that could justify reimposing Exchange Act reporting obligations? How unlikely is it that, once the number of a foreign private issuer's debt holders drops below 300 persons on a worldwide basis or 300 U.S. residents, the number of its debt holders would increase to an extent that could justify reimposing Exchange Act reporting obligations?**

  Based on our observation and experience in recent years, we are not aware of any of our foreign clients that, having deregistered, have had to re-establish their registration based on a subsequent increase in their U.S. resident shareholder count. As stated above, we believe that deregistration should be permanent.

2. **Conditions for Equity Securities Registrants**

a. **The Two Year Exchange Act Reporting Condition**

- **Should we require a foreign private issuer to be an Exchange Act reporting company for a specified period and to have filed or furnished all reports required during that period before it can terminate its reporting obligations regarding a class of equity securities under proposed Rule 12h-6?**
- **If so, should we set this Exchange Act reporting requirement at two previous years, as proposed?**
- **Should we require an issuer to have provided two Exchange Act annual reports, as proposed?**
- **Should we instead adopt a longer reporting period that requires an issuer to have provided at least three Exchange Act annual reports?**
- **Should we adopt an Exchange Act reporting requirement that covers a shorter period, such as one year, and requires a foreign private issuer to have filed at least one Exchange Act annual report?**
- **Or should we permit a foreign private issuer to terminate its Exchange Act reporting obligations regarding a class of equity securities under proposed Rule 12h-6 even if it has not yet filed one Exchange Act annual report?**
- **If we should impose an Exchange Act reporting requirement under proposed Exchange Act Rule 12h-6, should this requirement relate only to annual report filings under the Exchange Act and not to filings or submissions on Form 6-K?**
- **Should this requirement relate only to specified materials likely to be filed or furnished on Form 6-K (such as annual reports to shareholders, proxy statements and other materials relating to meetings of shareholders, earnings releases, and interim period financial statements), and if so, what should they be?**

From a practical perspective, we do not believe this requirement will create a burden for most companies because they generally do not become registrants with the intent to terminate their registration within a two-year period. However, we also do not believe there is a need for a two-year reporting requirement to be a condition for deregistering.

The release indicates that the reason for this condition is so investors have time to make an investment decision based on information provided in Exchange Act annual reports and interim information furnished on home country materials on Form 6-K. However, following deregistration, companies with a Rule 12g3-2(b) exemption would be required to furnish the same information that would have been provided on Form 6-K if the company were a registrant. Accordingly, except for the annual report on Form 20-F, shareholders would receive the same interim information regardless of whether the company deregisters or not. While the Form 20-F would provide additional information, if it is the intent of the company to terminate its registration, we do not believe the

requirement to file two annual reports is sufficiently beneficial to an investor to make this a condition for deregistering.

There are circumstances when the two-year condition could discourage certain capital transactions to the detriment of U.S. investors. For example, a foreign company might be considering entering into an exchange offer to effect a business combination that would require them to file a registration statement on Form F-4 and yet the company may have no intention of maintaining a U.S. registration. Under existing rules, the company could qualify to deregister after filing one annual report on Form 20-F. If the company has no intention of maintaining its registration, they may view such a condition as too onerous and instead elect to exclude the U.S. market from the offer.

If the Commission's concern is that investors will purchase the securities with the expectation that the company will be a reporting company for a period of time, we would propose that the Commission modify the requirement to allow the company to obtain an exemption from the two-year requirement if it provides clear and unambiguous disclosure as a "risk factor" or as a part of information regarding "the offer and listing" in its initial registration statement of its intent to terminate its registration within two years. Accordingly, investors would be given the opportunity to price and factor the company's statement of intent to deregister into their investment decision. Absent such disclosure, the company would be subject to the two-year reporting condition. We believe that most companies that will want to terminate their registration within two years will know it at the time of their initial filing.

b. The One-Year Dormancy Condition

- **Is it appropriate to prohibit an issuer from selling securities in the United States for a period preceding its termination of Exchange Act reporting regarding a class of equity securities under Rule 12h-6?**

- **If so, should we adopt a one year dormancy period, as proposed? Should the period be more than one year, for example, 18 months or two years? Should it be less than one year, for example, three or six months?**

The release indicates that the purpose of this condition is to ensure that the U.S. markets have little interest in the company and that the company is not trying to take advantage of that interest. We do not believe that a one-year dormancy period is necessary for investor protection. To the extent it is retained, we favor further exemptions for the reasons stated below.

- **If it is appropriate to adopt a dormancy condition, should it prohibit both registered and unregistered offerings, as proposed? Should it prohibit only registered offerings? If so, why should the rule distinguish between registered and unregistered offerings?**

To the extent that there is a dormancy condition, we believe it should be limited to capital raising transactions that are registered. We do not believe it is necessary or appropriate, to apply this condition to exempt transactions. The fact that a company offers securities that are exempt from registration to a separate group should not impact the company's ability

to terminate the registration – frequently, the securities are different and there would be a different group of investors. We do not believe that investors in exempt transactions are making an investment decision with the expectation that the company will maintain its registration. We do not believe that it is logical that a transaction with one distinct group of investors should disqualify a company from deregistering a separate and distinct class of securities. By definition, exempt transactions do not require registration, and they should not preclude deregistration.

Foreign private issuers that are seeking to deregister may elect not to include a U.S. tranche in an offering because of the dormancy rule thus depriving U.S. investors of an investment opportunity. We believe the decision to offer securities should be guided by market considerations to the extent possible.

Likewise, we would be concerned that a foreign private issuer that is considering terminating its registration would exclude U.S. investors from a rights offering, exchange offer, or secondary offer, thereby damaging the U.S. investors.

- **Should the dormancy condition exclude from its prohibition securities sold to an issuer's employees and those sold by its selling security holders in registered, non-underwritten offerings, as proposed? Should we distinguish between smaller security holders and those who may have control or have other significant interests and sell without ending their relationship with the issuer?**

  We agree with the proposal to exclude from the dormancy condition securities sold to an issuer's employees and securities sold by selling shareholders. We do not believe that there is any need to introduce additional complexity into the rule by distinguishing between smaller security holders and those who may have control or have other significant interests. Ultimately, protection should be afforded to the purchasing security holder, without regard to the size or relationship of the selling shareholder.

- **Should the dormancy condition exclude from its prohibition securities exempted under Securities Act section 3 other than section 3(a)(10), as proposed? Should we exclude from the one year prohibition securities issued under Securities Act section 3(a)(10) as well?**

  We agree with the proposal on the basis that these are exempt securities offerings, consistent with the rationale we discuss above.

- **Should we exclude "4(2) commercial paper" from the prohibition, as proposed?**

  Yes, we agree that "4(2) commercial paper" should be excluded from any prohibition.

- **Are there any other types of securities offerings that should be excluded from the prohibition, for example, rights offers, certain exchange offers, and offers under Securities Act Rule 144A?**

  As described above, we believe, to the extent that this condition is not eliminated it should be limited to registered capital raising transactions.

- **Should the dormancy period for unregistered offerings only extend to equity securities?**

  If a dormancy condition is retained then we believe that this condition should only apply to certain equity securities as described above. To introduce the dormancy condition to debt securities would be inconsistent with the notion that the rule proposal should be no stricter than the existing rules.

c. The Home Country Listing Condition

- **Should we require that a company have maintained a listing of the subject class of equity securities on an exchange in its home country for the last two years, as proposed?**
- **Do other countries have markets or facilities that are not an "exchange"? If so, should the listing requirement be satisfied by means of quoting the subject class of securities on foreign markets operated other than as an exchange?**
- **Should we impose a home country listing requirement that is shorter than two years, say, one year? Should we impose a home country listing requirement that is longer than two years? Should we not impose a home country listing requirement at all?**
- **Should the Commission's rule be sensitive to particular characteristics of the listing market or the home country? If so, how should this be accomplished?**

  We agree with the Commission's objective and premise that to deregister under the proposed rules that an issuer should have a listing in a market outside of the United States and should be subject to a requirement to provide periodic financial information to investors based on that listing. We note, however, that the market liquidity afforded by a listing condition would be more pertinent to an investor at the time that a company elects to delist, rather than deregister. We believe that it is upon delisting that the liquidity of a company's stock and the consequent impact on pricing would be of greatest concern to a U.S. investor.

  We believe that the reporting requirements of a listing and the consequent flow of information to an investor is generally determined by the existence of the listing and the laws and regulations to which it is subject, and not by the relative significance of that listing on that exchange or level of trading volumes. Accordingly, we do not believe that the rule needs to define a minimum trading threshold for the other market; only that the rule should ensure that such a market exists and that it requires the provision of periodic financial information to investors.

  If the Commission retains a listing requirement then we would instead propose that the requirement is made comparable to the F-3 eligibility criteria. We believe a 12-month listing period should provide a market with sufficient time to absorb any new listing, in place of the two-year listing requirement that has been proposed.

- **Should we require that a foreign private issuer represent that it is in compliance with the rules of, or otherwise in good standing with, its home country securities regulator or listing authority?**

  Yes, we believe that a foreign private issuer should represent that it is in compliance with the rules of, or is otherwise in good standing with, its non-U.S. securities regulator or listing authority. We believe that such representation is necessary for a listing condition to have substance.

- **Should we require that a foreign private issuer's home country constitutes its primary trading market, as proposed?**

  No. We believe that it should be sufficient that a company has a market outside of the United States but that such market need not be a foreign private issuer's home country. We believe that there will be a number of foreign private issuers that will have their primary trading market in other countries – such as companies from outside of the United Kingdom that are listed on the London Stock Exchange.

- **If so, should we require that 55 percent or more of the average daily trading volume of a foreign company's securities occurred through the facilities of a single foreign country securities market during a recent 12 month period, as proposed?**

- **Should we require that a higher percentage, for example, 60 or 75 percent or a lower percentage, for example, 50 percent of the average daily trading volume of a foreign company's equity securities occurred through the facilities of its home country securities market during a recent 12 month period?**

- **Should we permit a foreign company to terminate its Exchange Act reporting obligations regarding a class of equity securities if the percentage of the average daily trading volume of its securities that occurred in its home country market is less than 50 percent as long as that percentage when aggregated with the percentage of the average daily trading volume of the company's securities occurring in another non-U.S. jurisdiction was at least 55 percent or some other percentage greater than 55 percent? Would another test better accomplish the goals of the home country listing condition?**

  While we believe that the majority of foreign private issuers will not be impacted by this condition, some companies that trade in multiple markets – London, Tokyo, Paris, New York, etc. - may not have more than 55% of the trading in their securities concentrated in a single market. However, we do not believe this should be a relevant condition to allow a company to deregister. The objective of the Commission's proposed condition is to ensure that the company is subject to regulation and oversight. The percentage of shares that a company has in one particular market does not ensure, nor preclude, that market from having appropriate regulatory oversight of that company. A company trading in a country in which it is below the proposed 55% hurdle may be subject to greater oversight in that market place than a company that has over 55% of its trading volume in a different market place. We do not believe there is a correlation between percentages of volume that trade in a particular market place and appropriate oversight. This is demonstrated by the fact that

the SEC has substantial oversight regarding foreign private issuers despite the fact that in many cases the United States accounts for only a relatively small percentage of the trading volume for those issuers.

If the Commission were to include a percentage, we believe it should be much lower than 55% for the reasons noted above.

As noted in our responses above, we do not believe that it should be necessary to establish a minimum trading threshold for the primary market outside of the United States. We believe it should be sufficient that a company seeking to deregister has a market outside of the United States that requires the provision of periodic financial information to investors.

- **Should we adopt the definition of "recent 12 month period", as proposed? Should we adopt a period that is longer or shorter than 12 months?**
- **Should we adopt the 60-day window to the 12 month period, as proposed? Should the window be longer or shorter than 60 days?**

We agree that the definition of "recent 12 month period" appears reasonable.

d. Public Float and Trading Volume Benchmarks

- **Should we adopt a termination of reporting condition for well-known seasoned issuers that rely on two measures--trading volume and public float—as proposed?**
- **If not, should we adopt a benchmark that uses just trading volume, public float, or some other measure?**
- **Does the potential for manipulation of trading volume make it an inappropriate benchmark, either alone or in combination with other benchmarks?**
- **Should we instead adopt a benchmark that uses some combination of measures excluding trading volume?**
- **For example, should we adopt a condition requiring a foreign well-known seasoned issuer to have U.S. residents holding no more than a specified percentage, say 10 percent or 5 percent of its worldwide public float at the end of a recent 12 month period, and having U.S. resident shareholders numbering no greater than 1,000, 2,000, 3,000 or some other number? Should we adopt a similar condition for non-well-known seasoned issuers?**

We believe that the proposed trading volume criteria should be eliminated and that benchmark should rely only on public float. Any company seeking to deregister will first have to de-list in the United States. Thereafter, there would be minimal trading volume for the company's securities in the United States. The trading volume criteria would, therefore, appear to have little applicability in practice and, at most, would serve only to delay a company's timing to deregister.

Furthermore, we do not believe that trading volume in the United States is necessarily indicative of the level of U.S. interest in a company. We understand that large trading volumes that result from U.S. interest in the securities of a foreign private issuer will frequently take place in the primary trading market.

Given our belief that the trading volume condition will have little applicability in practice, the proposed criteria for deregistration appear less stringent for larger companies than for smaller companies. However, the incremental cost of maintaining a registration would appear to be greater for a smaller company than a larger company. We believe that the proposed rule should be simplified so that the same public float threshold would apply to all companies. Accordingly, we would propose to remove the well-known seasoned issuer distinction and would support a 10% worldwide public float threshold that could be applied by all companies regardless of whether they met the well-known seasoned issuer definition.

- **Should we adopt a benchmark that requires a foreign private issuer to have a specified U.S. public float expressed in dollars rather than as a percentage of the issuer's worldwide public float?**

  No. We support the use of a benchmark based on a relative percentage and not absolute amounts.

- **Should we adopt a benchmark that excludes using public float?**

  No. We believe the public float benchmark is a reasonable measure of relative U.S. investor interest.

- **Should we adopt one set of conditions for well-known seasoned issuers and another for foreign companies that are not well-known seasoned issuers, as proposed? Should we instead have one set of conditions that applies to all?**

  We believe, for the reasons presented above, that one set of conditions should apply to all companies.

- **Proposed Rule 12h-6 would use the same definition of well-known seasoned issuer as under Securities Act Rule 405. That definition contains various conditions in addition to the $700 million public float requirement. Should proposed Rule 12h-6 incorporate all of those conditions or just some of them?**

- **A company that is an "ineligible issuer" under Securities Act Rule 405 does not qualify as a well-known seasoned issuer. Should we require an "ineligible issuer" to meet the more stringent benchmarks under Rule 12h-6, as proposed?**

- **Should we preclude a MJDS filer from using the well-known seasoned issuer benchmarks, as proposed? Should we instead allow a MJDS filer to proceed under the well-known seasoned issuer benchmarks as long as it meets the $700 million public float requirement?**

  We believe that one set of criteria should apply to all companies. However, should the final rule retain the well-known seasoned issuer distinction then we believe that the definition of a well-known seasoned issuer based on paragraph (1)(i)(A) of §230.405, as proposed, is sufficient for purposes of the rule.

- **Should the date of determination of well-known seasoned issuer status be a date within 120 days of filing the proposed Form 15F, as proposed?**

  Yes. We believe that the proposed date appears reasonable if the well-known seasoned issuer distinction is to be retained.

- **Should we use the "well-known seasoned issuer" definition at all as the basis for making distinctions between foreign private issuers regarding termination of reporting? Should we instead use the definition of "large accelerated filer", which we are adopting in a separate release?**

- **Should we develop another measure based on a higher public float (for example, $1 billion) or a lower public float (for example, $500 million)? Should we rely on a $75 million public float threshold, which we have previously used as a benchmark for eligibility to engage in certain U.S. securities transactions?**

  As stated above, we believe that one set of criteria should apply to all companies.

- **Should we require the comparison of trading volume information in the United States with worldwide trading volume information instead of solely with trading volume information in the issuer's primary trading market?**

  We believe that the trading volume requirement should be eliminated for the reasons stated above. However, if the trading volume requirement is retained then we would support a comparison of trading volume information in the United States with worldwide trading volume information so that a consistent relative threshold of U.S. trading volume could be applied for all companies regardless of how many other markets a company's securities are traded in. By making the comparison to only the primary market, we believe that the level of the significance of the trading in the U.S. will be distorted. The ability to terminate a registration could be different for two identical companies with the exact same level of trading in the United States because one company has its shares traded in multiple markets while the other company has its shares traded in only one other market. We do not believe this should be a factor in determining the eligibility of a company to deregister. Furthermore, we find the rationale for this condition counterintitutive because the company trading in multiple markets would typically be subject to oversight by multiple regulators.

- **Do many foreign well-known seasoned issuers have significant trading volume activity in two or more markets, other than the United States, so that a benchmark based on U.S. trading volume as a percentage of worldwide trading volume would be more meaningful?**

  While we have a number of clients whose securities trade on multiple markets, in responding to this proposal, we have not had an opportunity to survey these clients to determine the relative significance of their trading volume in different markets.

- **Are many foreign well-known seasoned issuers subject to home country reporting standards that require disclosure of worldwide trading volume information? If so, should proposed Rule 12h-6 use worldwide trading volume information instead of primary trading market information as well?**

  As indicated above, we do not believe trading volume should be a condition, but if it is retained, we believe the analysis should be based on the worldwide trading volume.

- **Should we adopt alternative conditions for a foreign well-known seasoned issuer depending upon whether the U.S. average daily trading volume of a foreign company's class of securities is no greater than 5 percent of the average daily trading volume of that class of securities in its primary trading market during a recent 12 month period, as proposed? Should the threshold percentage instead be larger than 5 percent? Should it be smaller than 5 percent?**

  As indicated above, we do not believe (i) there should be different criteria depending on the size company; and (ii) trading volume should be a condition for deregistering. If the trading volume condition is retained, the use of 5 percent appears reasonable.

- **Should we adopt a different period than a "recent 12 month period"? For example, should we adopt a period that is longer than 12 months, say 18 or 24 months? Should we adopt a period that is shorter than 12 months, for example, 6 or 3 months?**

- **Should we adopt the dual 60-day windows for determining U.S. trading volume and U.S. percentage of ownership? Should the periods be longer or shorter?**

  As indicated above, while we do not believe that trading volume should be a condition for deregistration, if it is retained we believe that a "recent 12 month period" as defined in the proposed rule is a reasonable period over which to determine average trading volumes.

- **If we should adopt the proposed "5 percent of primary trading market trading volume" benchmark, should we also adopt the condition that a well-known seasoned issuer that meets this trading volume benchmark must have U.S. residents holding no more than 10 percent of the foreign company's worldwide public float at the end of the recent 12 month period, as proposed?**

  Yes. However, as stated above, we believe that the trading volume threshold should be eliminated and that a single 10 percent threshold should apply to all issuers, including companies that would not qualify as well-known seasoned issuers, as defined.

- **Should we instead adopt a percentage that is greater than 10 percent, for example, 15 or 20 percent? Should we adopt a percentage that is less than 10 percent, for example, 5 or 7 percent?**
- **Similarly, should we adopt the condition that would permit a well-known seasoned issuer to terminate its Exchange Act reporting obligations as long as U.S. residents held no more than 5 percent of its worldwide public float at a date within 120 days of the filing date of the Form 15F even if its U.S. average trading volume was greater than 5 percent of the average trading volume in its primary trading market, as proposed?**
- **Should we instead adopt a public float percentage that is larger than 5 percent, for example, 7, 10 or 15 percent, or smaller than 5 percent, for example, 3 percent?**

  We believe that 10 percent of worldwide public float is a reasonable benchmark that should be applied to all issuers, including those that do not qualify as well-known seasoned issuers.
- **Should we adopt the condition permitting a foreign company that is not a well-known seasoned issuer to terminate its Exchange Act reporting obligations as long as U.S. residents held no more than 5 percent of its worldwide public float at a date within 120 days of the filing date of the Form 15F, regardless of its U.S. trading volume, as proposed?**

  As stated above, we do not believe that U.S. trading volume is a relevant measure and believe that the same criteria should apply to all issuers. We would therefore support a public float percentage of 10 percent for all foreign issuers regardless of trading volume.
- **If not, should we adopt a public float percentage that is greater than 5 percent, for example, 7 or 10 percent, or less than 5 percent, for example, 3 percent?**

  See comments above.
- **We have proposed a single benchmark for non-well-known seasoned issuers based on the proportion of U.S. residents who hold their securities.**
- **Should we adopt dual benchmarks, based on trading volume and U.S. ownership, similar to the dual benchmarks proposed for well-known seasoned issuers?**
- **Does a single benchmark provide an adequate measure in determining when a non-well-known seasoned issuer may terminate its Exchange Act reporting obligations under the proposed scheme, or would dual benchmarks provide a more refined classification that is supported by data and experience?**

- **For example, should we adopt a condition that permits a non-well-known seasoned issuer to terminate its Exchange Act registration and reporting obligations if the U.S. average daily trading volume of its class of securities is no greater than a certain percentage, say 5 percent, of the average daily trading volume of that class of securities in its primary trading market during a recent 12 month period, and U.S. residents held no more than 5 percent of its worldwide public float at a date within 60 days of that recent 12 month period?**

- **If so, should either of the U.S. trading volume or U.S. public float thresholds be larger or smaller than 5 percent?**

  We believe that a single benchmark based on the relative interest of U.S. residents in a company's worldwide public float is appropriate, and that a 10 percent threshold based on that benchmark is reasonable.

e. Alternative Threshold Record Holder Condition

- **Should we permit an issuer that cannot meet the proposed benchmarks in proposed Rule 12h-6(a)(4) or (5) to terminate its Exchange Act registration and reporting as long as it has satisfied the other requirements of proposed Rule 12h-6 and has its class of equity securities held of record by less than 300 persons worldwide or by less than 300 U.S. resident holders, as proposed?**

  Yes. We support the alternative threshold record holder condition.

- **Should we raise the record holder threshold to 500, 600, 750, 1,000 or some other number?**

  While any revised record holder threshold is likely to be arbitrary, we believe there would be a benefit to increase the absolute number. However, we also believe there should be symmetry between the requirement to register with the SEC and the ability to deregister. Accordingly, if the threshold is increased, we believe there should be a corresponding change to the rules requiring a company to register

- **Should we adopt a record holder threshold that is higher for a well-known seasoned issuer than a non-well-known seasoned issuer?**

  No. We believe that a single set of criteria should apply to all issuers.

- **Should we require a minimum total assets threshold in addition to a record holder threshold as under current Rules 12g-4 and 12h-3? For example, should we adopt the "less than 500 U.S. residents and $10 million asset" standard currently provided under Rules 12g-4 and 12h-3? If so, should we require that the asset test be met for only the registrant's most recently completed fiscal year or for two or more previous years?**

- **Should we adopt an asset threshold that is more than $10 million, for example, $25, 50, 75, or 100 million? In conjunction with an assets test, should we adopt a record holder threshold that is greater than 500, for example, 750, 1,000, 2,000, or 3,000?**

- **Should we amend Rules 12g-4 and 12h-3 to eliminate the provisions permitting a foreign private issuer to cease its reporting obligations, as proposed? Should we retain these provisions in addition to adopting proposed Rule 12h-6?**

  We believe that it is reasonable that the Commission has proposed to simplify the rule to eliminate the "less than 500 U.S. residents and $10 million asset" standard based on its observation that foreign private issuers seldom use the current standard.

3. **Conditions for Debt Securities Registrants**

a. **Section 15(d) Reporting Requirement**

- **Should we permit a foreign private issuer to terminate its section 15(d) reporting obligations regarding a class of debt securities after filing only one Exchange Act annual report and furnishing Form 6-Ks only up to the filing of that annual report, as proposed? Should we require a debt securities registrant to file at least two annual reports and furnish Form 6-Ks until it has filed its second annual report, as we have proposed to require for an equity securities registrant, before it can terminate its section 15(d) reporting obligations?**

  We support the rule as proposed.

- **Should we permit a foreign private issuer only to suspend rather than terminate its section 15(d) obligations regarding certain classes of debt securities? If so, what are those classes of debt securities?**

  We support the proposal to permit a foreign private issuer to terminate its section 15(d) obligations.

b. **Threshold Record Holder Condition**

- **Should we require that the subject class of debt securities be held of record by less than 300 persons on a worldwide basis or less than 300 U.S. residents, as proposed?**

- **Should we increase the record holder threshold to, for example, less than 500, 750 or 1,000 persons on a worldwide basis or who are U.S. residents?**

- **If we do increase the threshold number of record holders, should we also impose a threshold asset standard? Should we adopt the "less than 500 U.S. residents and $10 million asset" standard currently provided under Rule 12h-3? If so, should we require that the asset test be met for only the registrant's most recently completed fiscal year?**

- **Should we adopt an asset threshold that is more than $10 million, for example, $25, 50, 75, or 100 million? If so, should we adopt a record holder threshold as well that is greater than 500?**

  As indicated for equity securities, we believe there would be a benefit to increase the threshold to be consistent with equity holders.

- **Should we instead adopt a record holder condition that would vary depending on whether a debt securities registrant was a well-known seasoned issuer?**

  No. We believe that a single set of record holder conditions should apply to all issuers regardless of size.

- **Should we treat as debt securities non-participating preferred securities, as proposed?**

- **Are there any other types of debt securities that should be included or excluded from the proposed definition of debt securities?**

  We support the definitions as proposed by the Commission.

4. **Counting Method**

- **Should we permit an issuer to restrict its inquiry regarding the number of its U.S. resident holders to the jurisdictions referenced in that rule, as proposed?**

- **Are there other jurisdictions in which an issuer must search for evidence of U.S. ownership of its securities when calculating the percentage of its worldwide public float held by U.S. holders or the number of U.S. residents who hold its equity or debt securities under proposed Rule 12h-6?**

- **Is there another method of accurately determining the percentage of an issuer's worldwide public float held by U.S. residents that does not require using the counting method in Rule 12g3-2(a)?**

  We support the proposal that would permit an issuer to confine the jurisdiction of its inquiries regarding the number of its U.S. resident holders.

- **Should we permit a foreign private issuer to exclude institutional investors when determining the number of its U.S. resident shareholders?**

  No. We believe that institutional investors should be included in the count of U.S. resident shareholders. However, we do believe that in determining the applicable percentages of shares held by U.S. residents that it should exclude affiliates. That is, in determining the relative significance, the calculation should exclude affiliates from the numerator and denominator

- **Should we permit a foreign private issuer to rely in good faith on the assistance of an independent information services provider when making its public float determination or calculating the number of U.S. residents who hold its equity or debt securities, as proposed? Should we also allow an issuer to rely on an information services provider when calculating the number of its record holders worldwide?**

  We support the proposal to permit a foreign private issuer to rely in good faith on the assistance of an independent services provider in the circumstances proposed by the Commission.

- **Should we allow a foreign private issuer to rely on information obtained through these foreign statutory or code provisions when calculating the percentage of its worldwide public float held by U.S. residents or the number of its U.S. resident equity or debt holders? If so, should we permit reliance on only certain specified foreign provisions? Interested persons are requested to provide detailed information about such foreign provisions in their comments.**

  We are not in a position to comment on this item.

5. **Form 15F**

- **Should the Form 15F constitute an issuer's certification regarding each of the specified conditions, as proposed?**

  Yes. We agree that the Form 15F should constitute an issuer's certification regarding each of the specified conditions in the format proposed.

- **Are there some conditions that we should exclude from the proposed Form 15F certification? Are there other conditions that we should include in the proposed Form 15F certification?**

- **Should we request an issuer to provide information on each of the enumerated items in the Form 15F, as proposed? Should we revise or omit some or all of the items on the proposed Form 15? Are there any other items that should be included on the proposed Form 15F?**

  See comment above.

- **Should we adopt a 90-day waiting period following the filing of the Form 15F before termination of reporting could become effective, as proposed? Should we instead adopt a shorter or longer period?**

  We believe that the proposed 90-day waiting period is reasonable.

- **Should we adopt a 60-day period in which an issuer would have to file or submit all required reports should its Form 15F be denied or withdrawn, as proposed? Should we adopt instead a shorter or longer period?**

  We believe that the proposed 60-day period to file or submit all required reports in the event that a Form 15F is denied or withdrawn appears reasonable.

- **In the ordinary course, we anticipate that terminations pursuant to proposed Form 15F will become effective 90 days after filing, without Commission action. Should proposed Rule 12h-6 provide for some required processing or action by the Commission before any Form 15F termination of reporting would become effective?**

  No. We do not believe that it is necessary for the Commission to take action.

- **Should we require an issuer to provide the undertaking, as proposed? Are there other undertakings that we should require on Form 15F? For example, should we also require an issuer to undertake to issue a press release in the United States announcing its withdrawal of the Form 15F? Should we not require any undertakings at all?**

  We agree that an issuer should be required to provide the undertakings, as proposed. We would also support a proposal to require an issuer to undertake to issue a press release in the United States announcing its withdrawal of the Form 15F.

6. **Notice Requirement**

- **Should we require a foreign private issuer to issue a notice, such as a press release, disclosing its intention to terminate its Exchange Act reporting obligations, as proposed?**

  Yes. We agree that a foreign private issuer should be required to issue a notice disclosing its intention to terminate its Exchange Act reporting obligations. However, we believe that providing this notice up to 15 days prior to the filing of the Form 15F could provide investors with insufficient time to react to such notice. Accordingly, we would propose that notice should be provided at least 30 days prior to the filing of the Form 15F.

- **If so, should we prescribe the form or content of the notice other than that it be broadly disseminated in the United States?**

  We do not believe it is necessary to prescribe the form and content of the notice.

- **Should a foreign private issuer be permitted to submit a copy of the notice to the Commission either prior to or at the time of filing the Form 15F?**

  Yes.

- **Does the filing of the Form 15F provide enough notice regarding a foreign private issuer's intentions to make the notice requirement unnecessary?**

  No. We believe that advance notice of the filing of Form 15F should be a requirement to provide investors with sufficient opportunity to react to the notice prior to the filing of the Form 15F.

- **Should a foreign private issuer be required to issue a notice upon the effectiveness of the termination of its Exchange Act registration and reporting obligations under proposed Rule 12h-6?**

  No, on the basis that such notice was provided prior to and upon filing of the Form 15F.

C. Proposed Amendment Regarding Rule 12g3-2(b)

- **Should we require a foreign private issuer that has terminated its Exchange Act reporting with regard to a class of equity securities under proposed Rule 12h-6 to comply with the home country publication requirements under Rule 12g3-2(b) by immediately granting the issuer the Rule 12g3-2(b) exemption upon the effectiveness of its termination of reporting, as proposed?**
- **Should we instead permit but not require such a foreign private issuer to apply for the Rule 12g3-2(b) exemption following termination of reporting under proposed Rule 12h-6?**
- **Or should we leave unamended Rule 12g3-2(d) and require a foreign private issuer to wait 18 months before it could apply for the Rule 12g3-2(b) exemption?**

  We support the proposal that an issuer that has terminated its Exchange Act reporting would immediately be granted Rule 12g3-2(b) exemption.

- **If we should extend the Rule 12g3-2(b) exemption to a foreign private issuer that has terminated its Exchange Act reporting under proposed Rule 12h-6, should we require the issuer to publish electronically on its Internet Web site the home country documents required to be furnished under Rule 12g3-2(b)?**

  Yes, we would support a proposal that the issuer should be required to publish the home country documents required to be furnished under Rule 12g3-2(b) on its internet web site. Furthermore, we would support an extension of such a requirement to all companies that have claimed exemption under Rule 12g3-2(b) (including those companies that have never previously registered with the SEC).

- **If so, should we also allow the issuer to publish its home country documents through an electronic information delivery system in its primary trading market?**

  Yes. We believe that an electronic information delivery system in the primary trading market should be allowed to substitute for a company's internet web site.

- **Should we permit the issuer either to publish the required home country documents electronically or submit them in paper to the Commission?**
- **Should we require the issuer only to submit the required home country documents in paper to the Commission as is currently the requirement for non-Exchange Act reporting companies that have received the Rule 12g3-2(b) exemption?**

  We believe that all companies that claim exemption under Rule 12g3-2(b) should be required to publish the required home country documents electronically in lieu of a requirement to submit those documents in paper to the Commission, subject to a hardship provision.

- **Should we require a foreign private issuer that has received the Rule 12g3-2(b) exemption under proposed Rule 12g3-2(e) to publish electronically English translations of the home country documents listed in proposed Note 1 to that proposed rule?**

  Yes. We believe the English translations of the home country documents should be required to be published electronically.

- **Should we exclude any of the specified home country documents from the English translation and electronic publication condition? Are there other home country documents not mentioned in the proposed rule that should be translated in English and published electronically?**

  We do not believe the specified home country documents should be excluded from the English translation and electronic publication condition.

- **Should we require the issuer to post its home country documents in English on its Internet Web site for a specified period of time? For example, should the issuer be required to keep its annual report in English available on its Internet Web site for at least 1, 2 or 3 or more years? Should the issuer be required to keep its material press releases in English for at least 6 months or a year?**

  We believe that home country documents should be required to be posted to the company's internet web site or alternative electronic information delivery system for a period of at least one year.

- **Should we modify the registration thresholds under Rule 12g3-2(a) from 300 U.S. resident holders to some other measure?**

  As a general principle we believe that the thresholds applicable to registration should be consistent with the thresholds applicable to deregistration. As indicated above, we would support increasing the threshold to a higher number.

- **Does the Rule 12g3-2(b) exemption continue to serve a useful purpose for investors seeking information on foreign companies?**

  With respect to the existing practice, we believe submitting information on paper form provides investors with little benefit.

- **Should we consider methods of compliance with Rule 12g3-2(b), such as Web site postings, as an alternative to the submission of paper documents to the Commission? How would such alternative methods operate in practice, and how would Commission staff oversee compliance?**

  Given the number of public companies around the world (over 7,000 in Europe alone that are converting to IFRS this year) after considering the number of registrants, we are surprised by the relatively small number of companies on the SEC's published list of companies that have claimed exemption from registering under Rule 12g3-2(b). It would appear that there is a possibility that there is a widespread lack of compliance in this area – a large number of companies should either claim exemption or register. To help ensure

compliance, we would recommend that to continue to maintain exemption that these companies make their financial information available on a website and submit a letter to the SEC indicating the site and confirming that financial information has been placed on that web site.

In addition, to reduce the number of companies that would need to claim exemption and thereby increase compliance, we recommend that the Commission modify the rules regarding the requirement to register to be consistent with the rules regarding deregistering - i.e., there should by symmetry between the requirement to register with the SEC and the ability to deregister. For example, if the Commission changes the rule to allow a company to deregister if 10% or less of its shareholders are U.S. residents, the same rule should be applicable to require the company to register. The result would be for there to be far fewer companies that would need to claim exemption from registration under 12g3-2(b) of the Exchange Act and furnish the Commission with information – they would be exempt by rule with no action on their part. We believe it is illogical that a company could be forced to register only to immediately qualify to deregister.

- **Does oversight by Commission staff in this area continue to be necessary or appropriate and serve to further investor protection? Is such oversight necessary or appropriate for a company that has obtained the Rule 12g3-2(b) exemption after terminating its reporting obligations under proposed Rule 12h-6?**

  We do not believe there needs to be a special oversight with respect to those companies that have claimed exemption under Rule 12g3-2(b) that were registrants from any other company that is claiming exemption that was not a registrant. However, see comment above regarding compliance.