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**INTEROFFICE MEMORANDUM**

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**TO:** ELLIOTT STAFFIN, SPECIAL COUNSEL, OFFICE OF INTERNATIONAL CORPORATE FINANCE,  
DIVISION OF CORPORATION FINANCE

**FROM:** OFFICE OF ECONOMIC ANALYSIS<sup>1</sup>

**SUBJECT:** DATA COMPILATION METHODOLOGY FOR FOREIGN PRIVATE ISSUER ANALYSIS

**DATE:** 1/29/2007

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At your request, we previously updated an analysis of data on 20F filers to determine what fraction of those foreign private issuers meet the newly proposed criteria for deregistration, which are based on trading volume. The staff presented these estimates to the Commission in its December 13, 2006 open meeting. This memo provides additional background.

As the table indicates, we estimate that 28% of the 20-F filers with available data meet the two newly proposed criteria: i) foreign primary market average daily trading volume (ADTV) exceeds 55% of worldwide ADTV and ii) U.S. trading volume is less than five percent of the foreign primary market ADTV. The percentage varies across global regions. The reported median of 27% indicates that more than 27% of the 20-F filers meet the criteria in half the regions and less than 27% meet the criteria in the other half of the regions in our data. The filers with available data were identified as 20F filers from the list of foreign issuers registered with the SEC during 2004 (see SEC website) for which ownership and trading volume were available, as detailed below.

TABLE. PERCENTAGE OF FILERS OF FORM 20F THAT MEET NEWLY PROPOSED CRITERIA,  
2004 AVAILABLE DATA\*

Criteria	Worldwide Mean	Regional Median
i) (Foreign primary market ADTV) $\div$ (Worldwide ADTV) $\geq 55\%$	28%	27%
ii) (U.S. ADTV) $\div$ (Foreign primary market ADTV) $\leq 5\%$		

\*Source: OEA analysis of Thompson Financial (Datastream) data on 509 filers of form 20F for which data were available in 2004. Availability of data for 20F filers in 2004 was determined by first identifying the issuer as a 20F filer on the list of year-2004 foreign private issuers that is published on the SEC website, and then verifying the availability of data on ownership (in the form 20F, for analysis of the initial proposal) and on ADTV (in Datastream) for that filer for year 2004. For each of the 509 companies, ADTV data were collected on a market-by-market basis. Foreign primary market ADTV was then calculated as the aggregate of the average daily trading volumes from the largest two markets, based on ADTV, on which each filer trades outside the US.

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<sup>1</sup> Please direct questions to Jennifer Marietta-Westberg, Kathleen Hanley or Cindy Alexander.