



Depository Management Corporation

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April 24, 2008

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

File No.S7-04-08 / SEC Release No 34-57350

Dear Ms. Morris,

Depository Management Corporation welcomes the opportunity to participate and provide commentary on the above referenced Release as well as future Releases pertaining to matters that relate to American Depositary Receipts and Global Depositary Receipts. Depository Management Corporation compliments the Securities and Exchange Commission (the "Commission") for all of its efforts to improve the market for investors and foreign private issuers alike in a manner that provides for greater receptivity and enhanced usage of the United States capital markets by foreign private issuers and international investors. We are hopeful that the combined expertise of the Commission and market participants who comment on the proposed amendments will result in the implementation of a new exemption process under Rule 12g3-2(b) which will be more functional for foreign private issuers ("FPIs") and provide greater security for persons who invest in depositary receipts worldwide, all of which will ultimately help rebuild the United States capital markets relative to the international markets.

Depository Management Corporation advises issuers and market participants on a wide range of corporate, legal and financial issues and provides a thorough analysis and negotiation of all depositary agreements and arrangements. The Depository Management Corporation team has extensive knowledge of ADRs and GDRs from every aspect of the industry including the role of the depositary bank, both from a business and legal standpoint.

Depository Management Corporation supports the Commission's proposal to permit issuers to claim and maintain the exemption from the reporting requirements of the Securities Exchange Act of 1934, as amended by simply making certain information publicly available on its website or through an electronic information delivery system. We believe that the system in place today does not provide investors with sufficient access to information regarding issuers that claim the Rule 12g3-2(b) exemption, as in order to obtain a copy of such information investors are required to either visit the offices of the Commission or pay a service bureau to obtain such information from the

Commission's archives. To the extent issuers post 12g3-2(b) related information, in English, on their websites or other publicly available databases, the investing public benefits from the improved access to financial information and, as a result, greater investment transparency.

While we support much of the Commission's proposal, we would suggest that the final rules differ from the proposal in the following manner:

Shareholders Limits:

It is our opinion that placing milestones on the number of shareholders of a foreign private issuer with United States addresses serves limited purpose and has negative ramifications. Currently, the majority of ADRs representing foreign shares reside in either Cede & Co. at the Depository Trust Company, custodial accounts at various brokerage houses or omnibus accounts, and collectively ADRs held in such manner represent the critical amount of total outstanding ADRs. Even if a Non Objecting Beneficial Ownership search is undertaken, the level of beneficial ownership cannot be precisely determined, and the distortions inherent in any calculations create a low probability that a complete list of beneficial holders can be ascertained. Additionally, our research indicates that where U.S. institutional investors invest in foreign companies, their holdings in such companies will often consist of a greater number of direct ordinary shares than ADRs.

We support the Commission's efforts to eliminate shareholder levels as a condition for claiming exemption under Rule 12g3-2(b), and to require electronic publication of the required information. However we would recommend that such publication should be managed by either the company itself, its depository bank or an appointed third party, for both current and newly established Level 1 Depository Receipt programs, as well as for both sponsored and unsponsored programs. Our rationale is that doing so would not only enhance the ease of DR establishment but also help increase the number of DR programs and ensure that investors have electronic access to reports and financial information as well as greater transparency with respect to their investments. We also believe that once the Rule 12g3-2(b) exemption is perfected it should be perpetual and should only cease to exist upon non-compliance with the amended rule.

Average Daily Trading Volume:

The Commission's proposal to impose a 20% ADTV threshold is a condition that Depository Management Corporation would only support in an ideal true trading environment. However, Depository Receipts are a multi-dimensional product containing variety of easily distorted trading attributes that make it impossible to render a fair, balanced and accurate estimate of any ADR company's ADTV. Moreover, any trading volume threshold would not account for overseas trading by U.S. investors. Given the globalization of trading markets, U.S. investors increasingly have the ability to purchase and sell foreign securities on non-U.S. exchanges. Since this trading activity cannot be quantified, a threshold based on U.S. ADTV will not accurately reflect the level of

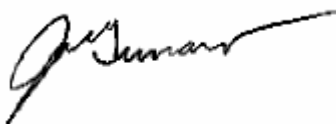
trading in ADR companies by U.S. investors. As such a 20% ADTV threshold would be inherently arbitrary. A foreign issuer having less than 20% of their ADTV in the U.S. could in fact have a much higher percentage of its worldwide trading volume represented by U.S. investors, to the extent U.S. investors trade the issuer's ordinary shares rather than ADRs. By the same token, a company that exceeds the 20% ADTV threshold could in fact have less trading by U.S. investors than other issuers that do not exceed the 20% threshold but experience significant overseas trading by U.S. investors.

As the calculation of ADTV is inherently unreliable in the case of DR issuers, and could have negative implications as discussed above, a threshold based on trading volume should not be used as a condition to eligibility under Rule 12g3-2(b) and therefore should not be included in the amended rule. We believe that because securities trading is global in nature, the only relevant criteria that should exist in establishing and maintaining the Rule 12g3-2(b) exemption are the availability of publicly available information and the existence of regulatory oversight outside the U.S. If and when an issuer decides to either list on a U.S. securities exchange or publicly raise capital in the U.S., only then should the reporting requirements of the Exchange Act be triggered.

Summary

Depository Management Corporation will continue to support the Commission and assist the Commission's efforts to re-establish and reposition the United States as a vibrant international capital markets center. We look to the Commission to integrate our recommendations within the rules to be adopted and accept our invitation to address additional areas of the depository receipt industry that are in need of improvement for the betterment of investors and foreign private issuers alike.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Germinario". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John A. Germinario
President

cc: Mr. Paul S. Atkins, Commissioner
Mr. Paul Dudek, Chief,
Office of International Corporate Finance