

May 12, 2008

Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**RE: File Number S7-05-08, *Foreign Issuer Reporting Enhancements***

Dear Ms. Morris:

We appreciate the opportunity to respond to the U.S. Securities and Exchange Commission's (SEC or "Commission") proposed rule, *Foreign Issuer Reporting Enhancements* (the "Proposed Rule").

We support the Commission's objectives to enhance the information available to investors and improve the accessibility of the U.S. capital market to foreign private issuers. We believe the Proposed Rule is important from a number of perspectives. While not addressing all questions included in the proposal, we offer our general comments and recommendations below for the Commission's consideration.

**Annual Test for Foreign Private Issuer Status**

We support the Commission's proposal for all issuers to test their qualification as a foreign private issuer on the last business day of their second fiscal quarter. We appreciate that the timing of the assessment is consistent with other issuer filing status determinations (e.g., accelerated filer and smaller reporting companies). We also support the provision that would, in the event an issuer fails to meet the requirements of a foreign private issuer, permit the issuer to comply with the reporting requirements prescribed for domestic companies beginning on the first day of the fiscal year following the determination date. We believe this will allow additional time necessary to prepare for the use of domestic forms and represents an improvement to the current requirements.

Although current rules allow domestic companies to report as a foreign private issuer immediately upon meeting the requirements, these issuers already have the resources and processes in place to meet domestic filer reporting requirements. We therefore do not object to the Commission's proposal to require domestic issuers to wait until the end of the second quarter to determine their qualification to report as a foreign private issuer.

*Canadian Multijurisdictional Disclosure System (MJDS)*

The MJDS allows eligible Canadian issuers to register securities under the Securities Act and to report under the Exchange Act using documents prepared primarily in accordance with Canadian requirements. Currently, MJDS and foreign private issuer eligibility are determined at the end of the year. Additionally, Canadian issuers are required to verify their MJDS and foreign private issuer qualification prior to filing a registration statement using MJDS forms.

Under the Proposed Rule, MJDS issuers that do not qualify as foreign private issuers based on the new second quarter assessment would immediately be precluded from using the MJDS for registration statements. As such, they would be allowed to use foreign private issuer forms for all registration statements in their third and fourth quarters and then be required to use domestic forms for the filing of their annual report. Consistent with the six-month transition period afforded foreign private issuer status, we believe issuers using the MJDS should continue to be permitted to file registration statements using the MJDS for the remainder of the fiscal year. That is, there would be no change in their filing status as a result of not meeting foreign private issuer status until the first day of the fiscal year following the determination date.

Although beyond the scope of the Proposed Rule, we believe that the SEC should consider whether the MJDS requirements (e.g., those other than foreign private issuer status) should likewise be assessed as of the end of the second fiscal quarter (in lieu of the current MJDS assessment requirement at the end of the year for qualification to use Form 40-F and at the date of filing for qualification to use MJDS registration statements).

**Accelerating the Reporting Deadline for Form 20-F Annual Reports**

Foreign private issuers are currently required to file their annual reports on Form 20-F within six months after their fiscal year-end. The proposal would accelerate that due date to within 90 days after year-end for large accelerated and accelerated filers; and to within 120 days after year-end for all other filers.

While we support the acceleration of the due date for annual reports on Form 20-F, we believe the filing deadline should be within 120 days after the issuer's fiscal year-end for all foreign private issuers. We believe a single due date simplifies compliance and monitoring and allows foreign private issuers adequate time to translate information and either reconcile to or prepare U.S. GAAP financial statements, if applicable. We also believe that it provides greater consistency with local statutory deadlines, while providing U.S. investors with more timely information than is currently available. While it is our view that the benefits of more timely reporting will outweigh potential cost or resource concerns for foreign private issuers, we believe the Commission should obtain input from the investor community about the relative benefits of such an acceleration.

The Commission is proposing a two-year transition period for accelerating the deadlines for filing of Form 20-F. We recommend that the transition period be increased to three years, resulting in the acceleration of the Form 20-F filing deadline being effective for fiscal years ending on or after December 15, 2011 for all foreign private issuers. We believe that this would ease the burden on many foreign private issuers because this date is on or after the date

when many larger countries have announced mandatory adoption of International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) for home country reporting purposes. Such companies would no longer be required to provide a U.S. GAAP reconciliation, resulting in significant time savings that would allow companies to more easily complete their Form 20-F's by the accelerated deadline.

### **Segment Data Disclosure**

Currently, Item 17 of Form 20-F provides an accommodation that allows foreign private issuers to omit segment data when preparing financial statements that otherwise comply with U.S. GAAP. We recognize that the Item 17 accommodation is currently used by only a small number of foreign private issuers. We support the proposal to eliminate the accommodation provided by Item 17 as this will increase comparability among foreign private issuers. However, we believe that such compliance date should be aligned with the date required of Item 18 reconciliations. In this regard, we recommend that the effective date be deferred to fiscal years ending on or after December 15, 2011 (see below).

### **Requiring Item 18 Reconciliation in Annual Reports and Registration Statements Filed on Form 20-F**

Currently, foreign private issuers may reconcile their financial information to U.S. GAAP under either Item 17 or Item 18 of Form 20-F. Both require a quantitative reconciliation of differences in net income and shareholders' equity; however, Item 18 also requires the qualitative footnote disclosures required under U.S. GAAP and Regulation S-X. Financial statements prepared using IFRS are considered compliant with the Item 18 requirement, and do not require any reconciliation to U.S. GAAP or any additional U.S. GAAP disclosures.

We support the proposal to eliminate the Item 17 reconciliation option within Form 20-F in favor of requiring compliance with Item 18. We believe, however, that the effective date should be deferred until fiscal years ending on or after December 15, 2011. By then, a number of additional countries will have mandated financial reporting under IFRS. We believe the SEC should not require issuers to begin to file using Item 18 when their conversion to IFRS in the near-term will eliminate the need for reconciliation.

### **Disclosure about Changes in a Registrant's Certifying Accountant**

We support the Commission's proposal to require foreign private issuers to disclose any changes in and disagreements with certifying accountants. This proposal is consistent with requirements for domestic issuers and provides investors with useful information. However, the potential delay between the resignation or dismissal of the accountant and the proposed reporting could minimize the value of the information to investors. We recommend that the SEC evaluate alternatives that would provide such information in a more timely manner. We also recommend that the Commission consider whether there are legal restrictions in other countries that would make it difficult for a foreign-based certifying accountant to comply with the proposal.

**Financial Information for Significant, Completed Acquisitions**

Under existing rules, foreign private issuers are only required to provide financial statements for significant, completed acquisitions and pro forma financial statements, as required by Rule 3-05 and Article 11, respectively, in connection with a registration statement. The Proposed Rule would require foreign private issuers to provide financial information for acquisitions meeting the 50% or more threshold in the Form 20-F as well.

At this time, we do not support the Proposed Rule because it is not clear to us that it provides investors with timely, or meaningful information on a cost-benefit basis. Before the SEC moves forward, we suggest that the staff obtain specific investor input on whether such information, and the proposed timing, would be sufficiently decision-useful to justify the cost.

**Disclosure about Differences in Corporate Governance Practices**

Foreign private issuers are currently required to disclose significant differences in corporate governance practices between their home jurisdictions and those followed by domestic companies either within their annual report or on their website. We support the Commission's proposal to require foreign private issuers to provide these disclosures in their annual report, and agree that it is useful to consolidate corporate governance information in one location.

**Other Considerations**

For the benefit of the global capital markets and investors worldwide, we encourage the Commission to continue to work with its regulatory counterparts around the world through the International Organization of Securities Commissions to improve the consistency of regulatory reporting globally.

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We would be pleased to discuss our comments or answer any questions that the SEC staff or the Commission may have. Please do not hesitate to contact Dave Kaplan (973-236-7219) or Cathy Samsel (973-236-7256) regarding our submission.

Sincerely,

*PriceWaterhouseCoopers LLP*