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May 12, 2008

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VIA E-MAIL

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Proposed Foreign Issuer Reporting Enhancements
File No. S7-05-08

Dear Ms. Morris:

We are submitting this letter in response to the U.S. Securities and Exchange Commission's (the "Commission") request for comments to the Commission's proposal set forth in Release Nos. 33-8900/34-57409 [International Series Release No. 1308] to enhance foreign private issuer reporting under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

We commend the Commission and the Commission's Staff (the "Staff") for their continued efforts to address issues of concern to foreign private issuers that are active in the U.S. public securities markets and, in particular, concerns about the accessibility of the U.S. public securities markets. These issues require careful calibration on the part of the Commission and the Staff of conflicting interests within the U.S. and abroad.

The proposed changes to the reporting rules contain a number of accommodations for foreign private issuers that are most welcome at this time. However, some of the proposed changes do give rise to serious concerns given the existing burdens on foreign private issuers that are reporting issuers under the Exchange Act, the current climate in the cross-border securities markets, the competition among global financial centers and the ease with which issuers and investors are able to migrate across borders from one financial market to another.

Acceleration of Form 20-F reporting deadlines

In particular, we question the advisability at this time to accelerate the filing deadlines for Form 20-F Annual Reports. Notwithstanding technological and information processing improvements and certain accommodations received from the Commission in the past (i.e. acceptance of financial statements prepared in accordance with IFRS issued by the IASB), foreign private issuers who are reporting issuers under the Exchange Act do encounter

significant burdens and costs in complying with the Exchange Act reporting requirements (i.e. Sarbanes – Oxley compliance). These burdens and costs have resulted in a significant number of foreign private issuers exiting the U.S. capital markets. This, at a time when it has never been easier for the same issuers to access capital markets that compete with the U.S. capital markets.

Many foreign issuers continue to view the U.S. regulatory regime as enormously burdensome, despite recent accommodations made by the Commission. In our view, the shortening of the annual U.S. reporting deadline will be very poorly received and will be another unwelcome addition to the list of disadvantages to a U.S. listing or capital raising (with a commensurate advantage to the competing financial markets). We question the comparable benefits U.S. investors would receive from the accelerated U.S. annual filing requirements.

Depositary Fees

The Commission has requested comments on the subject of depositary fees payable by holders of American Depositary Shares ("ADSs") and, in particular, whether additional disclosure would be useful to investors.

We note that the fees payable by holders of ADSs are described in the deposit agreements and the forms of American Depositary Receipts ("ADRs") filed with the Commission under cover of F-6 Registration Statements pursuant to the Securities Act. Increasingly, investors shy away from holding their ADSs in certificated form and as a result many, if not most, investors do not hold the ADRs that evidence their ADSs. We understand that most ADSs currently outstanding are held through The Depository Trust Company ("DTC") in brokerage or custodian accounts. In addition, ADSs that were traditionally held by investors in certificated form are being converted into un-certificated ADSs that are part of the "direct registration" system. Holders of ADSs through DTC or in "direct registration" do not have in their possession the ADR that describes the ADS terms of deposit (including the fees payable to the depositary).

We do not believe however that the lack of ADR issuance to investors leads to the conclusion that investors do not have access to information about the fees that are payable to the depositary as ADS owners. In this context, we note that deposit agreements and forms of ADRs are filed with the Commission via the EDGAR system and that, consequently, information about the fees is readily accessible and retrievable from the SEC website. In addition, depositary banks when contacted by ADS owners readily make available the schedule of fees that is applicable to specific ADSs. In addition, the ADR websites maintained by the depositary banks maintain a wealth of information about ADSs, including in one case an on-line method to compare the relative costs of holding shares in a custody account outside the U.S. versus holding shares in the form of ADSs and in many cases a listing of the ADR programs to which the newer annual depositary service fee applies. We further understand that the DTC website contains historic information about the depositary fees that have been charged to owners of ADSs, which can be accessed by retrieving the DTC "important notices" associated with the CUSIP number assigned to the specific ADSs.

We note that the investment advisors and brokers through whom investors buy ADSs are the appropriate persons to identify to, and quantify for, the investors (on a real time basis) the costs associated with investing in specific ADSs versus shares to be held in a custodian account outside the US. These costs include trade execution costs, transfer taxes, custodian fees, depositary fees etc. We hasten to point out that the brokers and investment advisers are aware of the range of depositary fees chargeable on the issuance and cancellation of ADSs and have access to the DTC website that includes up-to-date information about specific depositary fees (i.e. dividend fees, and depositary service fees) that have in the past been charged in respect of specific ADSs (i.e. retrieval of the DTC "important notices" associated with the specific ADS).

In our view, public websites, such as those maintained by the SEC, the DTC and the depositary banks, have significantly improved the access to information about ADSs, including the fees payable by ADS owners and ADS trading volumes, to investors and their brokers and investment advisors. We do not believe that additional disclosure in annual Exchange Act filings by foreign private issuers would tangibly enhance the quality or timeliness of information available to ADS investors and their advisors and brokers about depositary fees.

Disclosure of Depositary Payments

The Staff has on occasion raised, in the context of F-1 Registration Statements, the issue of additional disclosure of depositary payments to the issuer that sponsors the applicable ADR program. The concerns, as we understand them, center around the nature of these payments and their magnitude.

In our experience, the payments from depositary banks to issuers who sponsor ADR programs relate to the expenses an issuer and its agents incur in connection with the establishment and maintenance of ADR programs. These expense include (i) legal fees (i.e. the legal fees incurred in negotiating the terms of the applicable deposit agreement, the filing of the F-1 and F-6 registration statements), (ii) listing fees (i.e. the annual fees charged by the NYSE and NASDAQ for maintaining the listing of the ADSs), (iii) mailing and printing expenses (i.e. the cost of printing and mailing annual reports and proxy materials), (iii) intermediary expenses (i.e. the reimbursement of proxy solicitors, proxy distributors, custodian banks and nominees), (iv) filing fees (i.e. SEC filing fees), and (v) investor relations fees (i.e. the cost associated with having an investor relations representative in the US to address questions that investors may have about the issuer and its ADR program). In response to past comments from the Staff we have bolstered the standard plain English description of ADSs we provide, when acting as depositary's counsel, for inclusion in Securities Act and Exchange Act registration statements to include a number of bullet points that identify in general terms the nature of these payments. In our view this general description sufficiently identifies the nature of the depositary payments. To seek a further, more detailed description of these payments would not be material and would not in our experience any way enhance the disclosure ADS owners look for in this context.

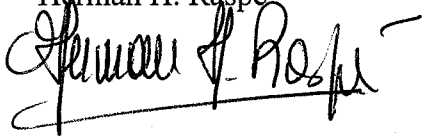
In terms of the magnitude of these payments, consistent with the disclosure made in standard plain English ADS descriptions and in past responses provided in issuer response letters

to Staff comments, issuers and depositary banks are typically unable to predict the level of reimbursement with any degree of certainty given the factors that affect the reimbursement levels. These factors include, the number of ADSs that may be outstanding at any given time (which is a function of, among others, the size of the offering and secondary market cross-border activity – i.e. issuances and cancellations of ADSs), the corporate actions that may take place in respect of specific ADSs and the expenses that will actually be incurred. Many legal practitioners have been and continue to be uncomfortable with their clients estimating these reimbursement amounts for purposes of registration with the Commission under the Securities Act or the Exchange Act.

Finally, having discussed this disclosure point for a number of years as depositary's counsel with representatives of many different firms acting as issuer's counsel, in our experience these reimbursement amounts are most often deemed "not material" in any given year if viewed with reference to the balance sheets and income statements of the issuers who sponsor these ADR programs or the size of the offering that is being registered with the Commission.

Respectfully submitted on behalf of Patterson Belknap Webb & Tyler LLP.

Herman H. Raspé



cc Paul M. Dudek, Esq