

May 12, 2008

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

Re: **Proposed Rule: Foreign Issuer Reporting Enhancements**
SEC Release No. 33-8900; 34-57409; File No. S7-05-08 (the “Proposed
Rule”).

Dear Ms. Morris:

JPMorgan Chase Bank, N.A. (“JPMorgan”) appreciates the opportunity to submit comments on the Proposed Rule.

JPMorgan is a leading depository bank and, through its Depository Receipts (“DR”) Group, maintains both American Depositary Receipt (“ADR”) and Global Depositary Receipt (“GDR”) programs for a large number of major non-U.S. corporations and financial companies, many of which have securities registered under the Securities Exchange Act of 1934 (the “Exchange Act”) and are subject to the reporting requirements thereof.

Our comments pertain solely to the Commission’s proposals set forth in Section III. C. (**Other Matters Under Consideration**—*Annual Disclosures About ADR Fees and Payments*) of the Proposed Rule. Under this Section, the Commission is considering requiring foreign private issuers to disclose annually, (i) the fees and payments made by ADR holders, including the fee for general depository services, and (ii) payments made by depositories to foreign issuers whose securities underlie the ADRs.

We strongly support disclosure of information required by an individual investor to make an informed decision to invest in and hold ADRs of a foreign private issuer. However, we caution against disclosure of information that does not contribute to this objective, but rather might create commercial dissonance among a relatively small number of U.S. based depositories and dislocation in the ADR market. We therefore support the Commission’s proposal to require disclosure of the actual fees that an individual investor would pay in holding an ADR, but urge the Commission to refrain from requiring a foreign issuer to disclose competitively sensitive

pricing information relating to the contribution arrangements between itself and its depository. The actual amounts of contributions or payments to foreign issuers intended to defray the costs of their ADR programs are one of the key dimensions of the competitive environment among institutions that vie to provide depository services to foreign issuers.

To the extent an investor determines that it would like to invest securities of a foreign issuer, it will require financial information to decide whether to hold the issuer's local securities in a foreign market or to hold ADRs. The actual cost related to holding ADRs will be relevant in deciding whether to hold foreign shares or ADRs or whether to hold ADRs of Company A as opposed to Company B. In order to provide investors with full disclosure of costs such investor might expect to incur in holding securities of an issuer in either ADR or foreign share forms, we support the concept of also requiring issuers to disclose the range of fees that an investor might anticipate incurring should the investor elect to hold the foreign shares directly in the jurisdiction in which the issuer's local shares are primarily traded. However, we do not think that the aggregate amount of the contributions paid by a depository to a foreign issuer is relevant to an individual's investment analysis and may simply cause confusion to a potential investor.

Disclosure of Fees Paid by ADR Holders

The proposed rule changes would require foreign private issuers to disclose, in their Annual Reports on Form 20-F, information relating to fees and charges that a holder of ADRs may have to pay, either directly or indirectly. The annual disclosure would include the amounts of such fees and charges, to whom the fees and charges are paid and the type of service to which the payment relates. Such disclosure would cover fees charged in connection with (a) depositing or substituting the underlying shares; (b) receiving or distributing dividends; (c) selling or exercising rights; (d) withdrawing an underlying security; (e) transferring, splitting or grouping ADRs; and (f) general depository services, particularly those charged on an annual basis.

As stated earlier, JPMorgan supports disclosure of the actual charges an individual investor would incur in holding an ADR, such as the issuance and cancellation fees paid by the holder and fees associated with a corporate action or event. Although implicit in the Proposed Rule, the disclosure of the fees listed in the paragraph above, are most meaningful to individual investors if the fee is disclosed on a per ADR or share basis. In other words, the annual report would disclose that holders may be charged \$.05 per ADS to issue or cancel an ADS. We note, however, as also observed by the Commission, that such issuance and cancellation fees are set out in the Deposit Agreement filed as an exhibit to the Registration Statement on Form F-6, and, with respect to programs established after November 2002, are already publicly available and easily accessible on the EDGAR website. Other fixed fees charged to ADR holders are provided on depository websites. However, it should not be unduly burdensome or expensive for this information also to be provided in the foreign issuer's annual report.

We do not believe that it is helpful to holders to require disclosure of the amount of direct out-of-pocket expenses of the depository that is passed on to holders in a given year. That

amount may vary from year to year and these expenses are passed on without any markup to holders. If the Commission requires any disclosure with respect to out-of-pocket expenses, we believe a generic description of such costs that might be incurred would be sufficient.

Disclosure of Reimbursements and Contributions Made by the Depositary

The proposed rule changes would also require foreign private issuers to “describe all fees and other direct and indirect payments made by the depositary to the foreign issuer of the deposited securities”. JPMorgan does not object to a disclosure that would require a general description of material reimbursements and/or contributions to a private foreign issuer. This would be consistent with the approach currently being taken by the Staff in Form F-1 registration statements with respect to the disclosure of the existence of reimbursement and contribution payments from depositaries. However, we do not think that disclosure of the specific amounts reimbursed and/or contributed would provide meaningful benefits to investors. Moreover, given the competitive sensitivity of such disaggregated information, we do not believe that disclosure of such information should be required.

Reimbursements and contributions to issuers are provided in order to help issuers defray actual expenses (such as listing expenses, accounting and legal fees, and investor and public relations expenses) related to the operation and promotion of their ADR programs. JPMorgan provides such reimbursements to listed issuers based on business judgment and strategy because it expects to derive financial benefit from successful ADR programs and has an interest in facilitating their creation. These arrangements offset costs of operating an ADR program that would otherwise be borne by issuers in the first instance. Reimbursements and contributions may directly fund activities that help issuers support and grow their ADR programs, with the goal of developing an active program and a stable investor base. To the extent these objectives are achieved, all investors stand to benefit from higher valuations, greater liquidity and decreased price volatility.

While we do not oppose generalized disclosure of the existence and nature of reimbursement and contribution arrangements, we believe that requiring disclosure of specific amounts provided to issuers would not benefit investors and potentially would have a negative competitive effect on JPMorgan and perhaps other depositaries. JPMorgan is willing to reimburse certain costs incurred by issuers relating to an ADR program in order to facilitate the creation of the program, with the hope that such success will lead to additional volumes of ADR activity. Because the amounts of reimbursements and contributions directly reflect the benefit that JPMorgan expects to derive from a successful ADR program, JPMorgan regards such amounts as equivalent to sensitive pricing information that would not be disclosed to competitors. Due to its sensitivity, such information is generally subject to contractual non-disclosure terms. The disclosure of reimbursement and contribution amounts is likely to have a detrimental effect on the competitive environment in which depositaries operate. Over the longer term, the likely outcome is that reimbursement amounts will become highly standardized, eroding the competitive landscape foreign issuers now benefit from in the ADR industry. As the Commission is aware, there are currently four active depositaries in the United States. We

would be concerned about any deterioration of competition that could be detrimental to foreign issuers in the United States or the U.S. depositaries, without any offsetting benefit of protecting investors.

The Commission has historically recognized the sensitivity of pricing information in other contexts. In connection with registration statements under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, issuers can request confidential treatment of competitively sensitive information contained in documents filed as exhibits to the registration statement. Pricing arrangements and other commercial terms set forth in such documents are generally entitled to confidential treatment, and this should be the case in the ADR context, as well. To the extent the Commission decides to require disclosure of specific amounts paid as reimbursements and contributions, such information should be entitled to confidential treatment at the request of either the issuer or the depositary. In this unique circumstance, the confidential information is proprietary to the depositary although it is not the party filing the Form 20-F. Therefore if a depositary is asked to provide an issuer with information regarding aggregate reimbursement and/or contribution amounts, the depositary should have standing to request confidential treatment.

The Commission proposed disclosure of these “types of payments” because “the costs of these payments may be passed on to ADR holders through the fees and other charges that they pay to the depositary.” The fees imposed on holders result from the negotiation between the depositary and the issuer, in which each party balances a number of different criteria in arriving at the fees charged by the depositary to holders, the amount of contribution payment made to the issuer and the fees charged by the depositary to the issuer. Each party assesses the overall financial, business and strategic benefits in adjusting one financial variable to the extent it relates to another. It is important to recognize, that, to the extent the amount of contribution may be affected by the fees either party believed was appropriate to charge holders, the fees charged to the holders are fully disclosed to them. Reimbursement payments are applied directly to the maintenance and support of ADR programs, and therefore represent a financial contribution to the ADR program that benefits not only the issuer but ultimately the holders of its ordinary shares and ADRs. In this regard, reimbursement and contribution payments may be supported, in part by fees paid by ADR holders but those fees are fully disclosed to the holders, and holders may consider that a portion of their fees goes towards further enhancing the value of their investment.

The proposed disclosure in Form 20-F regarding fees that were charged during the prior fiscal year (which, as we stated above, should be expressed on a per-ADS basis), combined with the disclosure currently required in the Deposit Agreement stating what fees the depositary is entitled to charge, provide the information that investors reasonably require with regard to ADR fees. The disclosure of depositary fees charged per ADS fully enables investors to assess the costs of ADR ownership.

In conjunction with our comments, we suggest the following revisions to the Proposed Rule (language added in bold, deleted language bracketed):

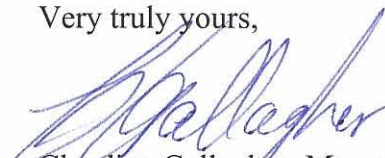
D. American Depositary Shares....

3. Describe all fees and charges In particular, provide information about any fees or charges **that may be imposed per American depositary receipt** in connection with (a) depositing ... (f) general depositary services, particularly those charged on an annual basis. **Provide a general description of out-of-pocket expenses for which the depositary may be reimbursed by holders of American depositary receipts.** In addition, **provide a statement as to whether the depositary makes any direct or indirect monetary contributions, or provides any reimbursements, to or on behalf of the issuer and the general use made by the issuer of such amounts.**

In summary, we believe that issuers should **not** be required to disclose the specific amounts of reimbursement and contribution payments received from their depositary. The disclosure of specific reimbursement and contribution amounts would be of little benefit to investors, and would harm the competitive environment.

We would be pleased to answer any questions you may have or provide additional information.

Very truly yours,



Claudine Gallagher, Managing Director

cc: Paul M. Dudek, Esq.
Chief, Office of International Corporate Finance