

SAP AG
Dietmar-Hopp-Allee 16
69190 Walldorf
Germany
T +49/62 27/7-4 74 74
F +49/62 27/7-5 75 75
www.sap.com



SAP AG, Dietmar-Hopp-Allee 16, 69190 Walldorf

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

Date: 10 April 2008

RE: File No. S7-05-08

Dear Ms. Morris:

SAP AG, a German SEC registrant, appreciates the opportunity to comment on the proposed rule, "Foreign Issuer Reporting Enhancements." Release No. 33-8900, dated February 29, 2008 of the Securities and Exchange Commission.

II.B. Proposed Changes: Accelerating the Reporting Deadline for Form 20-F Annual Reports

We understand that the Commission is proposing to shorten the filing due date for annual reports filed by foreign private issuers (FPIs) on Form 20-F. For this reason, we would like to offer our comments on this proposal. Although we have in the past years not made use of the full six months deadline for Form 20-F filings and although we are not opposed to a shorter filing deadline for FPIs we do believe that moving the deadline up from 6 months to within 90 days is too great of a change.

FPIs that register their securities with the Commission customarily have home country filing requirements that require significant time and effort in addition to their filings with the Commission. As a European company, we are required to publish reports in accordance the European Transparency Directive, which requires us to publish our annual report within four months of our fiscal year-end, and quarterly financial information within 45 days of the end of each of the first 3 quarters. In addition, we must meet the local requirements under German law, which requires us to publicize our annual report six weeks prior to (usually around mid April) the Annual General Meeting of Shareholders (AGM) and file our local financial statements by the end of April. The people involved in preparing this financial information are often also responsible for the Form 20-F.



For all companies, regardless of the inclusion or exclusion of financial information in accordance with U.S. GAAP, there are still a number of procedures that are required to be completed prior to filing Form 20-F, including Management's annual report on Internal Controls Over Financial Reporting and the review of Form 20-F by the disclosure committee. Unlike U.S. companies, these procedures are incremental compared to what is required in their home country.

Furthermore, there are additional requirements that German FPIs face that U.S. registrants do not face:

- As a company listed in the premium segment of the German Stock Exchange we have to provide all filings both in English and in German.
- In addition to the consolidated financial statements, European law requires the preparation and filing of a Review of Group Operations, a document that provides information about the financial performance and major events of the last year, certain corporate governance information, information about research and development activities, risks and risk management, prospective information, etc. While there are some synergies in the preparation of both, the Form 20-F and the Review of Group Operations, there are significant differences between these two documents which create a significant additional burden.
- In addition to the preparation and filing of consolidated financial statements under IFRS, European public companies are also required to prepare stand-alone statutory financial statements for the parent company. German parent companies have to prepare these statutory financial statements under German GAAP.
- The statutory stand-alone financial statements for the parent company have to be accompanied by an additional Review of Operations prepared with respect to the parent company.
- While the ultimate resolution of dividends occurs at the (AGM), the Executive Board has to make a written dividend proposal based on the statutory financial statements of the parent company. Additionally, the Supervisory Board of the company has to prepare a report that informs about its activities in the prior year. Finally, certain agenda items in preparation for the AGM require separate written reports. All these documents have to be prepared, both in German and in English, and be provided to the shareholders six weeks before the AGM along with the consolidated financial statements, including the Review of Group Operations and the statutory financial statements of the parent company.

Although the Form 20-F is not among the documents that has to be presented to the shareholders in advance of the AGM, there are interdependencies that need to be considered in the context of an acceleration of the current Form 20-F deadline. In the current context a company can hold its AGM in June and meet its filing obligations,



both with the Commission and in Germany, as well as its obligations to provide documents to shareholders six weeks prior to the meeting in April. If the Form 20-F deadline was March 31, this would no longer be possible. A company that would like to hold its AGM in June would only have two unpleasant options:

- Option 1: *File the Form 20-F in March some time before making the filings under German law and providing the required information to shareholders.* This could result in shareholder complaints as the financial statements would be provided in English in the U.S. earlier than the same financial statements would be provided in German in Germany.
- Option 2: *File the Form 20-F in March and at the same time make the filings under German law and provide the required information to shareholders.* This would disallow the company to make use of the filing and disclosure deadlines provided under German and European law and would essentially apply the Form 20-F deadline to all documents required to be prepared under German law.

We also acknowledge the Commission's accommodation to FPIs by eliminating the requirement to reconcile financial statements prepared in accordance with IFRS, as issued by the IASB, to U.S. GAAP. SAP currently does not make use of this accommodation and continues to include in its Form 20-F financial statements prepared under U.S. GAAP. This is intended to provide investors with financial information that is comparable to the financial information provided by our major competitors, which are all U.S. companies. Thus this accommodation to FPIs had no specific impact on SAP. In fact, for the first time in 2007 we were additionally required to file in Germany an annual report in accordance with IFRS as required by European law. This requires us to have two full annual reports in both the German and English language before our filing of Form 20-F. Therefore, the burden we have locally has increased, which means that our efforts to meet an accelerated deadline on Form 20-F would become even more stringent.

In response to concerns that investors do not receive information timely from FPIs in comparison to domestic filers, we offer the following comments:

- FPIs furnish information to investors on Form 6-K as relevant events occur independent of the 20-F filing deadline. A Form 6-K would also be filed if a FPI publishes in its home country financial statements before filing its Form 20-F. Thus all investors of a FPI are treated equally.
- Press releases are made on a regular basis with sufficient advance notice.
- We understand technological advances have made it easier to process information, but domestic filers also have access to this information without additional home country reporting requirements



To apply a shorter deadline would only increase the demands on foreign registrants, who are already in a more burdensome position than domestic registrants of having to publish either two sets of annual reports, or one joint document covering both sets of requirements. While willing to consider some level of acceleration, we still believe it is reasonable for FPIs to be given more time to file Form 20-F than provided for U.S. companies to complete their Form 10-K. Therefore, any change to the deadline for filing Form 20-F should not shorten the requirement to less than 120 days from a FPIs fiscal year-end. A four months deadline would have the additional benefit of being in line with the deadlines set under European law. We believe that such international alignment of reporting requirements should be pursued wherever possible to ease the burdens on global companies and to avoid confusion among globally acting investors.

In the case you wish to discuss our comments further, or if you have any other concerns or questions, please do not hesitate to contact Dr. Christoph Hütten (christoph.huetten@sap.com) or Scott Smith, CPA (sco.smith@sap.com) at any time.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Ch. Hütten'.

Dr. Christoph Hütten

Chief Accounting Officer

T: +49-6227-7-63475

F: +49-6227-78-30535