

# ***INTERNATIONAL REPORTING ISSUES***

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Current SEC & PCAOB  
Developments  
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# *Overview*

# *Foreign Private Issuers*

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<u>December 31, 2004</u>		<u>December 31, 2007</u>	
<i>Canada</i>	<i>500</i>	<i>Canada</i>	<i>450</i>
<i>UK</i>	<i>105</i>	<i>UK</i>	<i>50</i>
<i>Israel</i>	<i>85</i>	<i>Israel</i>	<i>90</i>
<i>Cayman Islands</i>	<i>25</i>	<i>Cayman Islands</i>	<i>70</i>
<i>Rest of Europe</i>	<i>190</i>	<i>Rest of Europe</i>	<i>105</i>
<i>Latin America</i>	<i>120</i>	<i>Latin America</i>	<i>95</i>
<i>Asia/Pacific</i>	<i>120</i>	<i>Asia/Pacific</i>	<i>110</i>
<i>Other</i>	<u><i>105</i></u>	<i>Other</i>	<u><i>88</i></u>
<i>Total</i>	<i>1,240</i>	<i>Total</i>	<i>1,058</i>

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# *Rulemaking*

# ***Final Rules - International***

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## ***Revisions to the Cross-Border Tender Offer, Exchange Offer, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign Institutions***

*Release 34-58597 (September 19, 2008)*

<http://www.sec.gov/rules/final/2008/34-58597.pdf>

**Effective date December 8, 2008**

# ***Final Rules - International***

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## ***Exemption from Registration Under Section 12(g) of the Securities Exchange Act of 1934 for Foreign Private Issuers***

***Release 34-58465 (September 5, 2008)***

***<http://www.sec.gov/rules/final/2008/34-58465.pdf>***

**Effective date – October 10, 2008**

# *Final Rules - International*

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## ***Foreign Issuer Reporting Enhancements (FIRE)***

***Release 33-8939 (September 23, 2008)***

***<http://www.sec.gov/rules/final/2008/33-8959.pdf>***

***Effective date December 6, 2008***

- ❖ 8 individual revisions**
- ❖ Various compliance dates**



# *Foreign Issuer Reporting Enhancements (FIRE)*

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## **Non-financial Disclosures**

- ❖ **Disclosure of corporate governance differences (2008)**
- ❖ **Permits FPI status test once per year**
- ❖ **Disclosure of ADR fees (2009)**
- ❖ **Rule 13e-3 conforming changes**

# *Foreign Issuer Reporting Enhancements (FIRE)*

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## **Disclosure of Change of Accountants and Disagreements (2009)**

- ❖ Same disclosures as Item 304 of S-K
- ❖ File as part of annual 20-F and registration statements
- ❖ Transition

# *Foreign Issuer Reporting Enhancements (FIRE)*

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## **Eliminates Narrow Segment Accommodation (2009)**

- ❖ **Used only by a handful of Item 17 US GAAP filers**
- ❖ **Was incompatible with US GAAP and IFRS**

# *Foreign Issuer Reporting Enhancements (FIRE)*

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**Accelerates Annual Report Deadline from 6 Months to 4 Months after FYE (2011)**

- ❖ **Compatible with major foreign reporting deadlines**
- ❖ **Compliance date coincides with Canadian implementation of IFRS**
- ❖ **Does not change age of financial statements required for registration statements**

# *Foreign Issuer Reporting Enhancements (FIRE)*

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## **Item 18 Compliance for All Issuers that Reconcile to US GAAP (2011)**

- ❖ **Item 18 = All US GAAP and Regulation S-X disclosures**
- ❖ **Item 18 required for 34 Act registration statements and annual reports**
- ❖ **Item 17 still permitted for non-issuers (e.g. 3-05s, 3-09s)**
- ❖ **Compliance date coincides with Canadian implementation of IFRS**

# *Proposed Rules*

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## ***Interactive Data to Improve Financial Reporting [XBRL]***

***Release 33-8924 (May 30, 2008)***

***<http://www.sec.gov/rules/proposed/2008/33-8924.pdf>***

## ***Modernization of the Oil and Gas Reporting Requirements***

***Release 33-8935 (June 26, 2008)***

***<http://www.sec.gov/rules/proposed/2008/33-8935.pdf>***

# ***IFRS Rulemaking - FPIs***

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**Acceptance of IFRS\* Financial  
Statements from FPIs without  
Reconciliation to US GAAP**

***(Release No. 33-8879 - December 21,  
2007)***

**\*IFRS as issued by the IASB**

# ***IFRS Rulemaking - FPIs***

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**Eligibility to omit US GAAP reconciliation:**

**FPI must state compliance with IFRS as issued by the IASB in notes to the financial statements**

**Auditor must opine on issuer's compliance with IFRS as issued by the IASB**



# ***IFRS/Reconciliation Rule***

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**Does not permit reconciliation to  
IFRS as issued by the IASB**

# *IFRS/Reconciliation Rule*

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## **Implementation issues**

- ❖ **Early 20-F filers**
- ❖ **assertions of compliance**
- ❖ **Non-financial statement disclosure requirements that reference S-X**
- ❖ **First-time adopters**

# *IFRS/Reconciliation Rule*

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## **Recent implementation issues**

**First-time adopter with different  
“previous GAAPs” in different  
jurisdictions**

# *IFRS/Reconciliation Rule*

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## **Recent implementation issues**

**Change from US GAAP to IFRS/IASB  
– not first-time adopter**

# ***Roadmap for Potential Use of IFRS by US Issuers***

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**Release 33-8982 (November 14, 2008)**

**<http://www.sec.gov/rules/proposed/2008/33-8982.pdf>**

***Generally, no impact on FPIs that file IFRS  
as issued by the IASB on Form 20-F***

***Roadmap Proposed Rules for early IFRS  
use by limited number of domestic issuers  
– would permit IFRS issuers (domestic) and all  
FPIs to file any 3-05s, 3-09s and 3-14 financials  
under IFRS as issued by the IASB without  
reconciliation (currently must be foreign  
business)***

***- proposed new Article 13 of Regulation S-X***

# *Other Reporting Issues*

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**Reverse recapitalization of non-reporting foreign business into domestic public shell company**

- ❖ **8-K within 4 business days**
- ❖ **Form 10-level content**
- ❖ **Financial statements of foreign business must be US GAAP, not home-country GAAP with reconciliation**

*Conclusion*

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*Questions?*