

CAPITAL MARKETS BULLETIN

September 3, 2008

SEC VOTES TO APPROVE CHANGES TO CERTAIN RULES RELATING TO FOREIGN PRIVATE ISSUERS

On August 27, 2008, the Securities and Exchange Commission ("SEC") voted to approve changes to the rules relating to foreign private issuers initially proposed on February 29, 2008.¹ The SEC approved the following amendments:

- Foreign private issuers may now assess their eligibility to use the special forms and rules available to foreign private issuers once a year on the last business day of their second fiscal quarter, rather than on a continuous basis.
- The reporting deadline for annual reports filed on Form 20-F by foreign private issuers will be accelerated from six months to four months for all 20-F filers. This new deadline will become effective after a three-year transition period, beginning with fiscal years ending on or after December 15, 2011.
- The instruction to Item 17 of Form 20-F that permits certain foreign private issuers to omit segment data from their U.S. GAAP financial statements will be eliminated.²
- The availability of the limited U.S. GAAP reconciliation option that is contained in Item 17 of Form 20-F will be eliminated.
- Form 20-F will be amended to require disclosure in annual reports filed on that Form with respect to:
 - Changes in, and disagreements with, the registrant's certifying accountant.

¹ Release No. 34-57409 (February 29, 2008).

² The SEC reports that currently only five foreign private issuers use this accommodation.

- Fees and other charges paid by holders of American Depositary Receipts ("ADRs") to depositaries, as well as any payments made by depositaries to the foreign private issuers whose securities underlie the ADRs.
- Significant differences in the corporate governance practices of listed foreign private issuers and foreign private issuers whose securities underlie the ADRs, compared to the corporate governance practices applicable to domestic companies under the relevant exchange's listing standards.³
- The SEC's Rule 13e-3, which pertains to going private transactions by reporting issuers or their affiliates, will be amended to reference the recently adopted deregistration and termination of reporting rules applicable to foreign private issuers.

Not adopted was a proposal to amend Form 20-F to require foreign private issuers to present information about highly significant, completed acquisitions that are significant at the 50% or greater level.⁴

The preceding is a summary of the proceedings of the August 27, 2008 meeting of the Commissioners of the SEC. The final rules have not yet been released and will likely contain important details not discussed during the meeting and will set forth when the above amendments will become effective. We will monitor this development closely and will provide updated information once the final rules have been released.

³ Currently, a foreign private issuer may choose to list this information on its website rather than including it in its annual report.

⁴ Domestic issuers are required to provide this information on Form 8-K. Foreign private issuers currently only need to include this information in registration statements, not in annual reports or on Form 6-K.

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