

SUPPORTING STATEMENT FOR FORM 18

This submission, pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq., consists of this supporting statement and the following exhibits:

- A. Statutory Authority
- B. Form 18

A. Justification

1. Necessity of Information Collection

The Commission has exercised its authority under Section 12(b) to establish Form 18, a registration statement that can be used by a foreign government or political subdivision to list securities on a U.S. exchange. Form 18 elicits the disclosure of basic, material information concerning, among other things, a description of the securities being listed, external and internal debt, receipts and expenditures, foreign exchange reserves, imports and exports, and balance of payments. A copy of the issuer's latest annual budget is required to be filed as well. The disclosure items of Form 18 reflect the Commission's experience and best judgment as to what information about an issuer should be required to be disclosed annually in the public interest and for the protection of investors.

2. Purposes of, and Consequences of not Requiring, the Information Collection

The principal function of Commission forms and rules under the securities laws disclosure provisions is to make information required to be filed with the Commission permits verification of compliance with securities law requirements and assures the public availability and dissemination of such information. Private contractors reproduce much of the filed information, and provide it to private parties; and many other persons obtain information directly from the Commission's public files. Thus, information on Form 18 can be, and is, used by security holders, investors, brokers, dealers, investment banking firms and others. In addition, all investors benefit indirectly from submissions on Form 18, as direct users effect transactions in securities on the basis of current information about the issuer's business and operations included in such filings, thereby causing the market prices of the securities to reflect such information.

3. Role of Improved Information Technology and Obstacles to Reducing Burden

Form 18 is filed electronically on the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

4. Efforts to Identify Duplication

Form 18 permits foreign government issuers to avoid unnecessary duplication and relies on foreign disclosure laws by allowing incorporation by reference to their annual budgets. Annual budgets, for several reasons are not substitutes for Form 18. First, the annual budgets, unlike filings on Form 18, are not deemed to be filed with the Commission for purposes of liability for misleading statements under Section 18 of the Exchange Act. Second, annual budgets may not be available to all persons in the U.S. potentially interested in purchasing securities of the issuer. Third, annual budgets serve different purposes from Form 18 and thus contain information that is not necessarily meaningful for investor decisions in the secondary market. Finally, Form 18 is necessary to ensure the disclosure of certain key information.

5. Effect on Small Entities

Not applicable.

6. Consequences of Less Frequent Collection

Form 18 is required to be filed once. Thereafter, Form 18-K is required to be filed on an annual basis after the completion of the issuer's fiscal year. Any less frequent filing would render performance comparisons meaningless, and deprive investors of the information protection of the Exchange Act.

7. Inconsistencies with Guidelines in 5 C.F.R. 1320.5(d)(2)

Not applicable.

8. Consultation Outside the Agency

Before being adopted, Form 18 was proposed for public comment. No comments were received on this request during the 60-day comment period prior to OMB's review.

9. Payment or Gift to Respondent

Not applicable.

10. Assurance of Confidentiality

Form 18 is a public document.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

Form 18 takes approximately 8 hours to prepare and is filed by 5 respondents for a total of 40 annual burden hours. We believe that the foreign government issuer would prepare Form 18. The estimated burden hours are made solely for the purposes of the Paperwork Reduction Act. They are not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

13. Estimate of Total Annualized Cost Burden

Not applicable.

14. Estimate Cost to the Federal Government

Regarding costs to the federal government, during the last fiscal year, the Commission's operational cost of reviewing and processing filings on Form 18 was approximately \$337. This figure is based on our computation of staff time devoted to this activity and the related overhead cost, valued at 35 percent of the time for reviewing and processing.

15. Explanation of Change in Burden

Not applicable.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Explanation as to Why Expiration Date Will Not Be Displayed

Not applicable.

18. Exception to Certification

Not applicable.

B. Collection of Information Employing Statistical Data

Not applicable.