

SUPPORTING STATEMENT FOR FORM F-7

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

- A. Statutory Authority
- B. Form F-7

A. Justification

1. Necessity of Information Collection

Form F-7 is one of four securities Act registration forms pertaining to Canadian issuers under the multijurisdictional disclosure system. Form F-7 is used for the registration of securities offered for cash upon the exercise of rights to purchase or subscribe for such securities that are granted to existing security holders of the registrant, by those issuers which have had a class of securities listed on a designated Canadian exchange for the 36 months immediately preceding the offering, and are currently in compliance with the obligations arising from such listing. This Form, along with the other forms, schedules and rules adopted by the Commission, is designed to facilitate cross-border transactions by specified Canadian issuers.

The disclosure items of Form F-7, which incorporate prospectus disclosures filed with one or more Canadian securities commissions, reflect the Commission's experience and best judgment as to information regarding an issuer and the offering that should be required to be disclosed to prospective investors.

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

The information collected is intended to ensure the adequacy of information available to investors in connection with securities offerings. The information on Form F-7 is used by security holders, investors, broker-dealers, investment banking firms, professional securities analysts and others in evaluating securities and when making investment decision with respect to such securities. Also, all investors benefit indirectly from submissions on Form F-7, 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 F-7 is filed electronically using the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

4. Efforts to Identify Duplication

Form F-7 is a document designed to provide investors with information concerning the registered securities and the Canadian issuer. This information is not otherwise readily available in the United States.

5. Effect on Small Entities

Certain eligible Canadian issuers as defined in the form make all filings on Form F-7. These issuers should have the resources available to prepare the necessary information for the Commission. Although some small entities are not eligible to use Form F-7, those that are eligible are relieved of the burden of filing a Form S-1, F-1 or other registration statement with the Commission.

6. Consequences of Less Frequent Collection

Persons in the United States considering investment in securities issued by Canadian companies would find it more difficult and expensive to obtain the necessary information if the issuer were not required to file the prospectus and other necessary information with the Commission. Also, to require less frequent reporting by foreign issuers would discriminate against domestic issuers.

7. Inconsistencies with Guidelines in 5 C.F.R. 1320.5

Not applicable.

8. Consultation Outside the Agency

Before being adopted, Form F-7 was proposed for public comment. No comments were received during the 60-day comments period prior to OMB's review.

9. Payment or Gift to Respondent

Not applicable.

10. Assurance of Confidentiality

Form F-7 is a public document.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

Form F-7 takes approximately 4 hours per response to prepare and is filed by 5 respondents. We estimate that 25% of the 4 hours per response (1 hour) is prepared by the company for a total annual reporting burden of 5 hours (1 hour per response x 5 responses). 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

We estimate that 75% of the 4 hours per response (3 hours) is prepared by an outside law firm hired by the company. We estimate that it will cost \$400 per hour (\$400 x 3 hours per response x 5 responses) for a total cost of \$6,000. The estimated cost burden is made solely for the purposes of the Paperwork Reduction Act. The cost is not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

14. Estimate Cost to the Federal Government

The estimated cost of preparing the proposal was approximately \$60,000. This estimate has been computed based on the GSE Guide to Estimating Reporting Costs 1973.

15. Explanation of Change in Burden

The increase of \$1,500 in the cost burden is due to an adjustment. The Commission has increased the cost of outside counselor from \$175 per hour to \$300 per hour.

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.