

## SUPPORTING STATEMENT FOR FORM 15F

### A. JUSTIFICATION

#### 1. Necessity of Information Collection

On March 27, 2007 the U.S. Securities and Exchange Commission ("Commission") published Release No. 34-55540 ("Adopting Release"), which adopted amendments to the rules that govern when a foreign private issuer may terminate the registration of a class of equity securities under section 12(g) of the Securities Exchange Act 1934 ("Exchange Act") and the corresponding duty to file reports required under section 13(a) of the Exchange Act, and when it may cease its reporting obligations regarding a class of equity or debt securities under section 15(d) of the Exchange Act. In particular, the Commission adopted Exchange Act Rule 12h-6, which makes it easier for a foreign private issuer to exit the Exchange Act registration and reporting regime when there is relatively little U.S. investor interest in its securities. The adopted rule amendments were intended to remove a disincentive for foreign private issuers to register initially their securities with the Commission by lessening their concern that the Exchange Act registration and reporting system is difficult to leave once an issuer joins it.

Form 15F is the form that a foreign private issuer must file when terminating its Exchange Act reporting obligations under Exchange Act Rule 12h-6. Form 15F requires a filer to disclose information that helps investors understand the foreign private issuer's decision to terminate its Exchange Act reporting obligations and assist Commission staff in assessing whether the Form 15F filer is eligible to terminate its Exchange Act reporting obligations pursuant to Rule 12h-6.

#### 2. Purposes of, and Consequences of Not Requiring, the Information Collection

Under Exchange Act Rules 12g-4 and 12h-3, the older rules that govern when an issuer may exit the Exchange Act registration and reporting regime, a foreign private issuer may exit the Exchange Act registration and reporting regime if the class of the issuer's securities has less than 300 record holders who are U.S. residents. Under these rules, a foreign private issuer may find it difficult to terminate its Exchange Act registration and reporting obligations despite the fact that there is relatively little investor interest in the United States. Moreover, under Rule 12h-3, a foreign private issuer can only suspend, and cannot permanently terminate, a duty to report arising under Exchange Act section 15(d). Rule 12h-6 allows a foreign private issuer to:

- terminate its registration of a class of equity securities under Exchange Act section 12(g) and its resulting section 13(a) reporting obligations or terminate, and not merely suspend, its section 15(d) reporting obligations regarding a class of equity securities as long as the issuer meets specified criteria designed to measure the relative U.S. market interest for that class of securities, and which

is not based on a record holder count; and

- terminate, and not merely suspend, its section 15(d) reporting obligations regarding a class of debt securities as long as it meets conditions similar to the current requirements for suspending its reporting obligations relating to that class of debt securities.

By making it easier for a foreign private issuer to exit our Exchange Act reporting system if it so chooses, the adopted rule amendments should help encourage more foreign companies to initiate participation in U.S. public capital markets.

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

While an Exchange Act reporting company, a foreign private issuer must file electronically its Exchange Act reports, including Forms 20-F, 40-F and 6-K, with the Commission through its Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system. A foreign private issuer must also publish electronically its Form 15F by filing it through EDGAR. Once a foreign private issuer terminates its Exchange Act registration and reporting obligations under Rule 12h-6, it may immediately claim the exemption from Exchange Act registration under Exchange Act Rule 12g3-2(b). In order to maintain the Rule 12g3-2(b) exemption, a foreign private issuer must publish electronically on its Internet web site in English its annual report and other documents that it is required to publish under its home country laws and regulations.

### 4. Efforts to Identify Duplication

We amended Exchange Act Rules 12g-4 and 12h-3 to eliminate those provisions that duplicate any of Rule 12h-6's provisions. For example, we eliminated from those rules the provisions that require a foreign private issuer to have less than 300 record holders who are U.S. residents or on a worldwide basis since Rule 12h-6 has a substantially similar provision that provides an alternative basis for a foreign private issuer to terminate its Exchange Act reporting obligations if it meets certain other conditions. There are no other sources that would authorize a foreign private issuer to terminate its Exchange Act registration and reporting obligations on the same grounds as those posited under Rule 12h-6. Similarly, there are no other sources for the information required by Form 15F.

### 5. Effect on Small Entities

The Commission certified that the adopted rule amendments will not have a significant economic impact on a substantial number of small entities. This certification is set forth in Part VI of Release No. 34-53020 (December 23, 2005) ("Proposing Release").

### 6. Consequences of Less Frequent Collection

As expected, the adopted rule amendments had their greatest impact on Exchange Act deregistration during 2007, the initial year of effectiveness for Rule 12h-6. In 2008 and 2009,

fewer foreign private issuers chose to deregister under Rule 12h-6. Approximately 300 foreign private issuers filed Form 15F and deregistered pursuant to Rule 12h-6 during the initial three-year period. This total was less than the number (351) estimated to deregister during Form 15F's first period of use. Moreover, because the new rule amendments were intended to lessen the concerns of foreign private issuers that the Exchange Act reporting regime is difficult to leave once an issuer joins it, we expect that each year some foreign private issuers will have elected to join the Exchange Act registration and reporting regime as a consequence of the rule amendments.

7. Inconsistencies with Guidelines in 5 CFR 1320.6

Not applicable.

8. Consultations Outside the Agency

The rule amendments were subject to a 60-day public comment period.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

Not applicable.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

We estimate that approximately 300 foreign private issuers may each file one Form 15F during the three-year period. We estimate that it will take approximately 30 burden hours to prepare each Form 15F. We estimate that 25% of the 30 hours per response (7.5 hours per response) is prepared by the foreign private issuer for a total annual reporting burden of 2,250 hours (7.5 hours per response x 300 responses), which is 383 fewer burden hours than as previously estimated. The estimated burden hours are solely for the purposes of the Paperwork Reduction Act and not from a comprehensive survey or study of the burdens of Commission rules and forms.

13. Estimate of Total Annualized Cost Burden

We estimate that 75% of the 30 hours per response (22.5 hours) is prepared by outside firms, including legal counsel, financial analysts and other advisors. We estimate it will cost \$400 per hour (\$400 x 22.5 hours per response x 300 responses) for a total cost of \$2,700,000, which is \$459,200 less than as previously estimated. The estimated cost burden is solely for the

purpose of the Paperwork Reduction Act and is not derived from a comprehensive survey or study of the costs of Commission rules and forms.

14. Estimate of Cost to the Federal Government

The estimated cost to the federal government of preparing the rule amendments was approximately \$70,000.

15. Explanation of Changes in Burden

The decrease of 383 burden hours and the decrease of \$459,200 in cost burden are due to an adjustment in the number of Form 15Fs filed with the Commission. There were 51 fewer Forms 15Fs filed than previous estimated by the Commission.

16. Information Collections Planned for Statistical Purposes

Not applicable.

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

Not applicable.

B. Collection of Information Employing Statistical Methods

Not applicable.