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Ms. Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
United States

Our ref MT/288
Contact Mary Tokar

9 May 2008

Dear Ms. Morris

File No. S7-05-08; Foreign Issuer Reporting Enhancements; Release Nos. 33-8900; 34-57409; International Series Release No. 1308

We appreciate the opportunity to comment on the Securities and Exchange Commission's proposed rule, "Foreign Issuer Reporting Enhancements" (the Proposed Rule). This letter expresses the views of the international network of KPMG member firms.

We believe that the changes under the Proposed Rule are consistent with the SEC's goal to provide investors with information about foreign private issuers on a timelier basis and to more closely align the filing requirements for foreign private issuers with those of domestic registrants.

While we are generally supportive of the SEC's proposals, we offer the following comments about certain aspects of the Proposed Rule that have an impact on our role as the independent registered public accountants for many foreign private issuers.

Accelerating the Reporting Deadline for Form 20-F Annual Reports

We note that the statutory filing deadlines in many home jurisdictions, such as in the European Union, fall within 120 days from the issuer's fiscal year end. However, we recognize that certain jurisdictions may have statutory deadlines that either fall beyond 120 days or require additional actions such as shareholder approval prior to the statutory filing with a minimum shareholder notice period (e.g. 30 days), such as in Brazil. The proposal to accelerate filing deadlines from six months to 90 or 120 days may result in SEC filing dates overriding local filing deadlines so that an entity's reporting timeline is driven by US rather than local filing and audit requirements. We recommend that the SEC consult with foreign jurisdiction regulatory counterparts about their respective existing national deadlines and seek to establish consistent dates before reaching a conclusion on acceleration of the US filing deadlines for foreign private issuers.

The Proposed Rule provides for acceleration of the Form 20-F deadline to a 90-day deadline for accelerated and large accelerated Form 20-F filers and a 120-day deadline for all other Form 20-F filers, after a two-year transition. If the filing deadlines are accelerated from the current six-month requirement, then we suggest that the staff adopt a 120-day deadline for all foreign private issuers in recognition of the additional efforts required to compile data incremental to the financial statements needed to prepare the Form 20-F.

Transition Criteria

With respect to transition for adoption of accelerated filing deadlines, issuers who prepare their financial statements under US GAAP or IFRS as issued by the IASB may require less time to satisfy the Form 20-F requirements than an issuer that reconciles home country GAAP to US GAAP. For companies using US GAAP or IFRS as issued by the IASB, we believe that the acceleration of filing deadlines from six months to 120 days does not place an undue burden on a company's financial statement preparation process or the associated audit process. The proposed two-year transition period should provide these issuers with sufficient time to address systems, processes and resources associated with translation and incremental information necessary to complete the Form 20-F on an accelerated basis, and for independent registered public accountants to complete the audit in a timely manner.

For issuers that reconcile home country GAAP to US GAAP, we note that an acceleration of the reporting deadlines from six months to 120 days may impose a significant burden on those issuers due to the time required to gather and provide more information than is required in the home jurisdiction. For example, many Canadian registrants prepare financial statements under Item 17 of Form 20-F and file Form 20-F near the end of the existing six-month deadline. We therefore recommend that the transition date be extended to three years (i.e. 2011), when a number of countries have mandated transition to IFRS.

Requiring Item 18 Reconciliation in Annual Reports and Registration Statements Filed on Form 20-F

As noted above, many Canadian registrants prepare financial statements under Item 17 of Form 20-F. If use of Item 17 is no longer permitted for foreign private issuers, then we also recommend that this transition date be extended to three years (i.e. 2011), when a number of countries have mandated transition to IFRS. This would serve to minimize disruption to the financial statement preparation process and the associated audit process, which in some cases may be occurring earlier than in the past in connection with the proposal to accelerate Form 20-F filing deadlines, as companies, and their auditors, would not need to plan on performing additional work related to Item 18 disclosures that will be included only during a transitional period until the foreign private issuer has adopted IFRS.

Impact on Voluntary Filers

It is unclear how the proposed amendments, such as the elimination of Item 17 for all registrants, apply to foreign entities that file voluntarily with the SEC. We recommend that the SEC clarify how the proposed changes apply to voluntary filers.

Financial Information for Significant, Complete Acquisitions

We encourage the SEC to solicit feedback from investors and other users to assess whether financial statements of the target for acquisitions that are significant to the registrant at the 50% or greater level are useful, and if so, whether such information should be provided in annual reports on Form 20-F or on a timely basis as acquisitions occur.

If the Proposed Rule is issued as a final rule without changes, and an acquisition that is significant at the 50% or greater level occurs late in a registrant's year, we note that the proposed filing of audited financial statements of the target and Article 11 pro forma financial information with Form 20-F under accelerated filing deadlines could create a significant incremental burden on foreign private issuers, targets, and their auditors. The preparation of the target's financial statements and associated audit work would fall into the same time period in which the issuer is preparing its financial statements and the audit is being performed. Therefore, for these significant acquisitions closing later in the foreign private issuer's fiscal year (e.g. in the fourth quarter), we suggest that the SEC require that the audited financial statements and Article 11 pro forma information be filed with the SEC within 75 days following the Form 20-F due date.

Disclosure About Changes in a Registrant's Certifying Accountant

We are supportive of the proposal to require disclosure of a foreign private issuer's change in and disagreements with certifying accountants. The Proposed Rule would require the disclosure currently contained in Item 304 of Regulation S-K to be included in annual reports on Form 20-F and in initial registration statements. It is unclear why the disclosure would not be required in registration statements for existing registrants. We believe that a change in certifying accountants that occurs after the filing of the Form 20-F but before filing of a new registration statement may be material to investors in a new offering just as it may be material to investors in an initial offering.

We encourage the SEC to consult with foreign jurisdiction regulatory and legal counterparts to assess the impact of any legal or privacy concerns that may exist with respect to public disclosures of changes in and disagreements with certifying accountants.

Annual Test for Foreign Private Issuer Status

We support testing foreign private issuer status only on an annual basis on the last day of the second quarter of the registrant's fiscal year as compared to the current requirement to assess

filing status as a foreign private issuer on a continuous basis. We note that a registrant who no longer meets the criteria for filing as a foreign private issuer on the last day of its fiscal year under either a continuous test or an end-of-year test would have a limited period of time (60 to 90 days under domestic issuer reporting deadlines) to prepare its financial statements under U.S. generally accepted accounting principles (US GAAP), and to have these financial statements audited. This would be particularly onerous for registrants filing under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that no longer collect data required to prepare US GAAP reconciliations or financial information.

For Multi-jurisdictional Disclosure System (MJDS) filers, we note that losing foreign private issuer status and preparing US GAAP financial information using the domestic issuer forms (e.g. Form 10-K) is a more significant burden than losing MJDS status as of the last day of the fiscal year and having to file as a foreign private issuer using Form 20-F and providing an Item 18 reconciliation. We recommend that MJDS testing status be performed once per fiscal year, preferably on the last business day of the registrant's second fiscal quarter. Registrants that do not qualify for MJDS status on the testing date should be permitted to use the MJDS registration statement forms until the end of their fiscal year.

Notification of Change in Status

The change in an issuer's status as a foreign private issuer during a fiscal year is a significant event as it relates to form and content of financial information provided to investors and other users of the financial statements. We recommend that the SEC require notification of that event on a timely basis.

Definition of Foreign Private Issuer

Under Rule 405 of the Securities Act and Rule 3b-4 of the Exchange Act, the definition of foreign private issuer includes an asset test whereby if more than 50 percent of a foreign non-governmental entity's assets are located in the United States and more than 50 percent of the entity's outstanding voting securities are held of record by U.S. residents, it may not qualify as a foreign private issuer. There is no formal guidance on measuring or determining the location of assets in applying this test. Given the complex and diverse corporate structures in place in which significant intangible assets or other non-physical assets may be owned by legal entities in one jurisdiction but operations that use those assets, often under lease/royalty arrangements, are located in another jurisdiction, or when some assets at a particular location are carried at fair value and others at historical cost, we believe that it would be helpful for the SEC to provide clarification as to how the calculation should be performed.

We would be pleased to discuss our comments at any time. If you have any questions regarding our comments, please contact Glen Davison at +1 212 909 5839, gdavison@kpmg.com, or Mary Tokar at +44 20 7694 8288, mary.tokar@kpmgifrg.com.

Yours sincerely

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