

approximately 10% of reporting foreign banks have problematic insider loans that must be disclosed under Item 7.B. of Form

20-F. We expect that, if adopted, the proposed amendment would cause 4 foreign private issuers to incur additional burden hours and costs related to providing expanded disclosure concerning problematic loans to insiders. We estimate that for each of the Form 20-Fs affected, there would occur one additional burden hour pertaining to these expanded disclosure requirements for a total of 4 additional burden hours. We expect that foreign private issuers would incur 25% of these additional burden hours (1 hour). We further expect that outside firms would incur 75% of the additional burden hours (3 hours) at an average cost of \$300 per hour for a total of \$900 in additional annual costs.

Thus, we estimate that the proposed amendment would increase the annual burden incurred by foreign private issuers in the preparation of Form 20-F to 769,826 burden hours. We further estimate that the proposed amendment would increase the total annual burden associated with Form 20-F preparation to 3,079,304 burden hours, but would leave the average number of burden hours per response unaffected at 2579 hours. We further estimate that the proposed amendment would increase the total annual costs attributed to the preparation of Form 20-F by outside firms to \$690,501,580.

Comment Solicited

We solicit comment on the expected effects of the proposed Form 20-F amendment under the PRA. In particular, we solicit comment on the accuracy of our additional burden hour and cost estimates expected to result from the proposed amendment. We further solicit comment in order to:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility;
- Determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected;
- Evaluate whether there are ways to minimize the burden of the collection of information on those who respond,

Form 20-F. Each of the other five filed their annual report on Form 40-F, the MJDS form for qualified Canadian issuers. As previously discussed, we are not proposing to amend Form 40-F. Accordingly, the estimated burden hour and cost estimates for Form 40-F under the PRA remain unaffected by this proposed rulemaking.

including through the use of automated collection techniques or other forms of information technology; and

- Evaluate whether the proposed amendment will have any effects on any other collections of information not previously identified in this section.

Any member of the public may direct to us any comments concerning these burden and cost estimates and any suggestions for reducing the burdens and costs. Persons who desire to submit comments on the collection of information requirements should direct their comments to the OMB, Attention: Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Washington, DC 20503, and send a copy of the comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609, with reference to File No. S7-15-03. Requests for materials submitted to the OMB by us with regard to these collections of information should be in writing, refer to File No. S7-15-03, and be submitted to the Securities and Exchange Commission, Records Management, Office of Filings and Information Services, 450 Fifth Street, NW., Washington, DC 20549. Because the OMB is required to make a decision concerning the collections of information between 30 and 60 days after publication, your comments are best assured of having their full effect if the OMB receives them within 30 days of publication.

IV. Cost-Benefit Analysis

For several years, U.S. investors have sought to diversify their holdings by investing in the securities of foreign issuers, including foreign banks. At the same time, foreign issuers, including foreign banks, have sought opportunities to raise capital and effect other securities-related transactions in the United States. Proposed Rule 13k-1 would benefit both U.S. investors and foreign bank issuers by removing a regulatory impediment that, if left unchecked, could discourage foreign banks from entering or remaining in U.S. capital markets.

U.S. investors would benefit from proposed Rule 13k-1 to the extent that the proposed rule encourages a foreign bank to maintain or achieve its Exchange Act reporting status. A foreign bank would benefit from proposed Rule 13k-1 by being able, like its domestic counterpart, to provide qualified personal loans to its executive officers and directors while an Exchange Act reporting company.

More particularly, if a foreign bank's home jurisdiction has enacted insider lending restrictions similar to those under Regulation O, the foreign bank would benefit from proposed Rule 13k-1 by not having to fulfill two sets of insider lending rules. If a foreign bank's home jurisdiction has enacted insider lending rules that are less restrictive than those imposed under Regulation O but that nevertheless qualify under proposed Rule 13k-1(b)(2) because they require the prior approval of the home jurisdiction bank supervisor for specified insider loans, the foreign bank would benefit to the extent that the cost savings resulting from being subject to the less restrictive home jurisdiction insider lending rules exceed the cost of obtaining the approval of its home jurisdiction bank supervisor for the specified insider loan.

We expect that some foreign bank issuers will incur additional costs attempting to meet proposed Rule 13k-1(b)(3)'s condition requiring the prior approval by a majority of a foreign bank's board of directors of a loan to an executive officer or director that, in the aggregate, would exceed \$500,000 for that particular insider. We also expect that some foreign issuers will incur additional costs from our proposed amendment of Form 20-F that would require a foreign issuer to disclose the identity of a director, executive officer or other related party who has received a problematic loan and to describe the nature of the loan recipient's relationship to the lending issuer. However, because currently only 10% of the 41 foreign depository institutions that file Form 20-F annual reports disclose problematic loans with insiders, and because of the brevity of disclosure required to meet the proposed requirement, we do not expect the resulting costs to be unduly burdensome. In any event, we believe that any ensuing costs would be justified by the benefits of foreign banks being able to make loans to their directors and executive officers on conditions comparable to those afforded to domestic banks subject to Regulation O.

Comment Solicited

We solicit comment on the costs and benefits for foreign and domestic issuers of proposed Rule 13k-1 and the proposed amendment of Form 20-F. We request your views on the costs and benefits described above as well as on any other costs and benefits that could result from adoption of the proposed rule and form amendment for foreign and domestic issuers. We also request