

rulemaking initiative if accompanied by supporting data and analysis of the issues addressed in those comments.

In addition to responding to the questions presented in this release, the Commission invites comments to supplement or correct the information and assumptions it contains related to:

- The functioning of the ADR market,
- The roles of market participants,
- Advantages and disadvantages of unsponsored ADRs that either represent underlying shares that are listed in the U.S. or that duplicate sponsored ADRs,
- The effects of unsponsored ADRs on investors, and
- Any other related matters.

V. Paperwork Reduction Act

The proposed amendment to Form F-6 contains "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995 ("PRA").²⁶ We are submitting the proposed amendments to the Office of Management and Budget ("OMB") for review in accordance with the PRA.²⁷ The title for the collection of information is "Form F-6." An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Form F-6 (OMB Control No. 3235-0292) prescribes information that an issuer must disclose to register American depositary receipts under the Securities Act. Preparing and filing a registration statement on Form F-6 is a collection of information. Respondents to this collection of information are institutions, usually U.S. banks or trust companies, that act as depositaries and establish ADR facilities. Foreign companies that sponsor ADR facilities are also respondents.

The proposed amendment, if adopted, would add an eligibility requirement to Form F-6. The proposed eligibility requirement would not permit the use of Form F-6 to register ADRs that a foreign issuer has not sponsored if that issuer has listed its securities in ordinary share form on a national securities exchange or automated quotation system of a national securities association. We believe the proposed amendment would bring the ability of foreign companies to control the form in which their securities are traded in U.S. markets to a level comparable to that of domestic issuers and reduce the potential for investor confusion.

We currently estimate that Form F-6 results in a total annual compliance

burden of 2,550 hours and an annual cost of \$765,000. The burden was calculated by multiplying the estimated number of respondents filing Form F-6 annually (150) by the estimated average number of hours each entity spends completing the form (34 hours). We estimate that 50% of the burden is prepared by the respondent ($150 \times 34 \times 0.50 = 2,550$). We estimate that 50% of the burden is prepared by outside advisors retained by the respondent at an average cost of \$300 per hour ($150 \times 34 \times 0.50 \times \$300 = \$765,000$). This portion of the burden is reflected as a cost.

A. Reporting and Cost Burden Estimates

For our proposal regarding eligibility for use of Form F-6, the amount of information required to be included in a Form F-6 registration statement would remain the same. Accordingly, for purposes of the Paperwork Reduction Act, our preliminary estimate is that the amount of time necessary to prepare the registration statement, and hence, the total amount of burden hours, would not change. However, there may be the possibility that determining eligibility for use of Form F-6 may result in the respondent investing more resources in technology, relying to a greater extent on outside advisors, or that the average cost associated with the portion of the burden prepared by outside advisors may increase. We request comment on whether, for purposes of the Paperwork Reduction Act, the burden will increase or decrease. If so, by what amount? Would the proposal have any other effect on the total compliance burden?

We estimate that determining whether the proposed additional eligibility requirement for the use of Form F-6 is satisfied would add 0.50 burden hours to each registration statement on Form F-6. Thus, we estimate this aspect of the proposal will add an additional 75 burden hours to the current Form F-6 ($0.50 \text{ hours} \times 150 \text{ respondents}$). We estimate that 50% of the burden is prepared by the respondent ($0.50 \times 150 \times 0.50 = 37.5$). We estimate that 50% of the burden is prepared by outside advisors retained by the respondent at an average cost of \$300 per hour ($0.50 \times 150 \times 0.50 \times \$300 = \$11,250$). This portion of the burden is reflected as a cost.

As a result, we estimate the total annual compliance burden for Form F-6 after our proposed revisions to be 2,587.5 hours and an annual cost of \$776,250, an increase of 37.5 hours and \$11,250 in cost. Compliance with the revised eligibility requirements for Form F-6 would be mandatory. There would be no mandatory retention period for

the information disclosed, and responses to the requirements would not be kept confidential. We do not believe that the imposition of this requirement would alter significantly the number of respondents that file registration statements on Form F-6.

B. Request for Comment

We request comment in order to:

- Evaluate whether the proposed collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility;
- Evaluate the accuracy of our estimates of the burden of the proposed collections of information;
- 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 collections of information on those who respond, including through the use of automated collection techniques or other forms of information technology; and
- Evaluate whether the proposed amendments 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 the accuracy of these burden estimates and any suggestions for reducing the burdens. 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, with reference to File No. S7-16-03. Requests for materials submitted to the OMB by us with regard to these collections of information should be in writing, refer to File No. S7-16-03, 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.

²⁶ 44 U.S.C. 3501 *et seq.*

²⁷ 44 U.S.C. 3507(d) and 5 CFR 1320.11.