



March 3, 2005

SEC Update: Extension of Effective Date for 404 Compliance for Foreign Private Issuers and Certain Domestic Issuers

On March 2, 2005, the SEC announced that it would delay by one year the implementation date for the internal control (Section 404) report for all foreign private issuers and for domestic non-accelerated filers. As a result of the SEC's action, foreign private issuers and domestic non-accelerated filers will not be required to (a) include in their annual reports on Form 10-K, 20-F or 40-F an internal control report, or have the report audited under PCAOB Auditing Standard No. 2, or (b) evaluate as of year-end any change in internal control that has materially affected, or is reasonably likely to materially affect, internal control, until the first fiscal year ending on or after **July 15, 2006** (instead of July 15, 2005).

The extension also applies to the portion of the CEO/CFO (Section 302) certification, which was subject to delayed effectiveness, that relates to internal control.

Issuers benefitting from the extension are urged by the SEC Staff to make full use of the additional time, and not slow their efforts to become fully compliance with internal control reporting requirements, given the amount of resources, time and personnel commitments needed to be fully compliant.

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