

DBO/JPC/mgh/22.6/0/1

3 September 2002

Mr Frits Bolkestein
European Commission
Internal Market
Rue de la Loi , 200 (C-107 - 6/25)

B-1049 BRUXELLES

THE SECRETARY GENERAL

Dear Mr Bolkestein,

RE: SARBANES-OXLEY ACT

UNICE, the voice of business in Europe, would like to relay the concerns already expressed by some of its member federations about current developments in the United States in relation to the Sarbanes-Oxley Act and its application to European companies with a secondary listing in the USA.

While UNICE supports the philosophy of rules which aim at restoring investors' confidence in the integrity of capital markets through effective measures, we are concerned that some elements of the new US rules are incompatible with European standards, whereas some other elements might impose unnecessary burdens on European companies with a secondary listing in the US or EU firms auditing these companies.

Section 106 of this Act is clearly at the centre of our concerns since it deals with application of the Act to foreign firms. Section 301 on audit Committees might also impose on EU companies listed in the US obligations which go beyond what is needed to achieve the results which are sought.

We welcome the fact that the Commission has already suggested to the US Securities and Exchange Commission (SEC) to make use of provisions of the Act to exempt EU firms with a secondary listing in the USA from certain requirements of the Act.

We would nevertheless like to call upon you to continue the discussion with the US authorities to ensure that every effort is made to find solutions so that European companies and auditing firms which already comply with EU standards similar to those put in place in the USA could benefit from mutual recognition provisions instead of having to comply with another layer of burdensome and unnecessary legislation which would hinder their functioning and competitiveness.

These are only preliminary comments and UNICE is currently studying further the consequences of this Act for EU firms. We will no doubt come back to you to see whether any additional action can be undertaken to ensure a simplified regulatory environment for EU firms operating on the US market.

We remain at your disposal should you wish to discuss this matter further.

Yours sincerely,

(original signed by)

Philippe de Buck

c.c.: Commissioner Pascal Lamy