



November 13, 2007

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-20-07

Dear Ms. Morris:

The Conference of State Bank Supervisors (CSBS) appreciates the opportunity to comment on the SEC's "Concept Release on Allowing U.S. Issuers to Prepare Financial Statements in Accordance with International Financial Reporting Standards." CSBS is the professional association of state officials responsible for chartering, supervising, and regulating the nation's 6,206 state-chartered commercial and savings banks, and 400 state-licensed foreign banking offices nationwide.

CSBS is aware of a letter you have received from the New York State Banking Department (the Department) regarding your proposed rule. CSBS supports the comments submitted by the Department, including concerns that:

- In 2002 the International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB) agreed to use their best efforts in the development "as soon as practicable" of high quality compatible accounting standards that could be used for both domestic and cross-border financial reporting. However, the global accounting standards are still far from convergence. For example, a July 2007 *Journal of Accountancy* interview quoted IASB Chairman Sir David Tweedie as saying that U.S. GAAP and IFRS "should be pretty much the same" by 2011 or 2012.
- CSBS and the Department believe that SEC approval for U.S. issuers to use IFRS would likely reduce convergence efforts since the IASB will have already achieved its main objective in the U.S. and will have less incentive to compromise with the FASB.
- The proposal raises concerns that the move toward IFRS reduces the ability of U.S.-based organizations and individuals to influence accounting standards, especially in view of political pressures exerted over IASB by the European Union. Issues unique to the U.S. may not be addressed by the IASB.

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- If adopted, the proposal would likely make the standards adopted by the FASB irrelevant for publicly-traded companies. However, FASB would continue to be the standard setter for private U.S. companies. This would effectively result in “publicly-traded company GAAP v. privately-held company GAAP.” CSBS and the Department strongly oppose a bifurcation of accounting standards. We believe it is not in the best interests of investors and other users of financial statements, as it will reduce comparability between institutions, introduce confusion, and reduce confidence in accounting and financial reporting.
- When U.S. and international accounting standards have converged sufficiently, the timing of any eventual implementation of a rule to allow U.S. issuers to prepare financial statements in accordance with IFRS should allow for adequate training of both the financial staffs of U.S. issuers and their internal and external auditors of IFRS. It is our understanding that issuers in the European Union countries were given three years to transition to IFRS. At minimum, a similar transition period would be appropriate in the U.S., although we believe that a more effective transition period would take at least five years.

Again, thank you for the opportunity to comment.

Best personal regards,

A handwritten signature in black ink that reads "Neil Milner". The signature is written in a cursive, flowing style.

Neil Milner
President & CEO