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U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-3628

File Number S7-20-07

Concept Release on Allowing U.S. Issuers to Prepare Financial Statements in Accordance with International Financial Reporting Standards

Intel is pleased to respond to your request for comment on the SEC's Concepts Release on Allowing U.S. Issuers to Prepare Financial Statements in Accordance with International Financial Reporting Standards. We commend the SEC for examining ways to reduce regulatory impediments that occur due to disparate financial reporting without compromising investor protection. The use of International Financial Reporting Standards as issued by the IASB (IFRS) by U.S. issuers would meet that objective. We believe, however, that a dual accounting and financial reporting system for U.S. filers is an unworkable long-term solution. The SEC should instead adopt a careful and measured transition plan to move all U.S. filers from U.S. GAAP to IFRS by a specific date.

Intel operates in 67 countries. Over the last 3 years, 20 of our reporting entities are in jurisdictions that have either fully adopted IFRS or have converged with IFRS. An additional 30 reporting entities are in jurisdictions that are scheduled to fully adopt IFRS or significantly converge with IFRS over the next 3 years. We believe we can realize cost and compliance efficiencies through these adoptions. Adopting IFRS for our consolidated financials would provide us with the opportunity to further consolidate our systems, policies, procedures and training infrastructure and drive incremental cost and compliance efficiencies. More broadly, one set of high-quality international standards provides comparability for users and levels the playing-field for preparers. The benefits are clear. The issue, in our view, is the method by which IFRS is adopted for U.S. issuers.

The Concepts Release contemplates providing U.S. issuers with the option to prepare financials in accordance with IFRS. That is, it would create a dual accounting and financial reporting system for U.S. filers. We are concerned that a company's ability and desire to exercise this option is extremely limited because:

- Education: IFRS is not embedded in the accounting curriculum or broadly available in the continuing education in the U.S. Would institutions invest the necessary resources to teach IFRS in the absence of a clear demand forecast?

- Divergence: IFRS's limited authoritative application guidance requires the preparer to use their judgment by first referring to other IFRSs and the framework. Would U.S. preparers of IFRS look to U.S. GAAP for interpretive guidance? If so, would that application of IFRS be considered a divergence from IFRS as issued by the IASB?
- Undue Tension: U.S. GAAP stands in sharp contrast against the more principles-based IFRS. Would regulators, auditors and preparers exercise appropriate care in applying (or allowing the application of) professional judgment in a dual standard regime?
- National Mandate: Globally accepted standards must occur within the reality that securities regulators have national mandates. Will those mandates be carried out while ensuring that the benefits of globally accepted standards *stay* globally accepted? How effective will the IASB be in convincing jurisdictions that are only generally aligned to IFRS to adopt IFRS as issued by the IASB?

We are merely scratching the surface. The Concepts Release has forced an important conversation about the complex issues that must be addressed. We must start somewhere. The best place to start is with a clear objective in mind: the date-certain application of IFRS as issued by the IASB by all U.S. issuers. From there, plans can be drawn to effect a careful and measured transition to move all U.S. filers from U.S. GAAP to IFRS.

Thank you for your consideration of our views. If you have any questions, please contact me at (971) 215-6270, or Kevin McBride, Accounting Policy Controller, at (971) 215-1229.

Sincerely,

James Campbell
Vice President, Corporate Controller