

Ladies and Gentlemen of the Commission:

As an American with an admitted bias, I believe that at this time I prefer US GAAP! However, at our future point of Convergence, I have been assured that it will not matter as “in theory” IFRS and US GAAP will be exactly the same.

My primary concern about our IFRS plan is why are we jamming ourselves with these artificial deadlines and this needless rushing? I fear that we might have already done this with US GAAP Codification ... which only now is being referred to by some as an initial step to the IFRS transition. (That is not what I heard originally, but I may have been misinformed!) Why not proceed “as is” and declare that we have converged ... whenever we actually converge? This would also probably diffuse a lot of the current emotion which seems to surround these discussions throughout the US Accounting Profession.

I'm sure that we all embrace the ideal concept of one set of high quality, world-wide Accounting Standards, embraced by all countries' regulators and supported by a robust technical body with vision, perspective and excellent responsiveness. Future lack of responsiveness is one of my bigger practical concerns. Our US SRO's are not comprised of responsive-at-all-times supermen, but our pluralistic patchwork of SRO's has enabled progress from various sources, perhaps best exemplified by some of our earliest US Revenue Recognition work in SOP 97-2, 98-9, etc. Would delay in Revenue Recognition Standards have been better ... solely for the sake of preserving a singular form of regulation ... over the substance and immediacy of regulation? I think not, but still agree that a patchwork methodology is not ideal. However, I become concerned about a lack of pluralism and responsiveness when I contemplate our future. (This pluralism happens in many areas of US regulation where we are accustomed to even agencies like OSHA and others routinely accepting other “SRO's” decisions such as the Mine Safety guidelines.) This monolithic approach of “IFRS as published by the IASB” will be a very big cultural jolt to the American psyche!

In October we all watched the IASB and the EU wrestled with changes to IAS 39 and IFRS 7. (They didn't actually wrestle, but I hear that they came close at times!) Perhaps because of the misperceived root causes of the financial crisis, we watched them toss out the IASB's Change Methodology and vetting process; hopefully on a one time only basis. This was followed by the recent positive news of US GAAP now being acceptable in EU markets. However, recent remarks surrounding this acceptance of US GAAP indicate that some in the EU Commission feel that Convergence is perhaps now complete. Therefore my second practical concern is whether or not our colleagues across the sea may be fatigued by the convergence of the 20 some members of the EU. Will there be the energy, patience and care to address our Revenue Recognition Standards and perhaps special circumstances like FAS 71 for Regulated Industries? (This may quickly devolve into a political decision process in the US once we begin discussing these regulated industries.)

My final practical concern is that we are still not communicating nearly as much as probably necessary in order to facilitate the optimal implementation of this change. We

should examine the original debacle of SOX for guidance of what not to do! Remember! Initially the very positive step forward of SOX Compliance was viewed negatively ... only because of bad or lack of effective public communication.

In 2004 the PCAOB did not feel education of laymen or '34 Act Companies was part of their charge. They correctly focused on CPA Firms. I know! They told me! Today in retrospect, for a number of reasons, none of them good, back in 2004 the AICPA was also not actively involved in the education of laymen or companies. Again I speak from firsthand knowledge. You couldn't buy an educational pamphlet geared to educating anyone about SOX! The result was bad press and misinformation galore! No one involved in the positive step forward of SOX, benefited from this counter productive confusion. So far, very little has come out of Norwalk for an effective public communication plan speaking to American business. If we are going down this path, we can't let this Accounting change become comical column filler for every ill-informed Features Editor at every newspaper in the country as initially happened with SOX.

To avoid repeating this mistake, the AICPA should be the SRO dispensing this practical information to all laymen, companies and professionals ... and they must be held accountable for doing so.

Best Regards!

John Anderson, CPA, CISA, CITP  
*Financial & IT Business Consultant*  
14 Tanglewood Road  
Boxford, MA 01921