Sharon L. Stewart
[redacted]

April 19, 2009

Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549-1090

Dear Florence:

File: No. S7-27-08

Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers.

I am an accounting graduate student at Duquesne University. I am pleased to comment on the proposed rule "*Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers*" (the "Roadmap"), issued by the Securities and Exchange Commission ("SEC") as one of our writing assignments for this semester.

The need for a single set of high-quality globally accepted accounting standards has been highlighted by the current financial crisis in the world. U.S. Investors, U.S. Issuers and U.S. Markets would benefit from the development and use of such a set of accounting standards. International Financial Reporting Standards ("IFRS") is the basis of financial reporting used in a large and increasing number of countries worldwide. Some countries which have adopted IFRS include Canada, Australia and Israel. The importance of having transparent and reliable financial information between companies both domestic and internationally is necessary for them to function effectively.

The convergence efforts of the International Accounting Standards Board ("IASB") and Financial Accounting Standards Board ("FASB") over the past six years was to develop a set of high-quality standards to reduced disparity in financial reporting between U.S. issuers and foreign issuers. IASB and FASB are working jointly to make their financial reporting standards fully compatible on a standard-by-standard basis. The SEC should consider whether U.S. issuers should continue to use U.S. GAAP, while supporting ongoing convergence between the IASB and FASB. The transition from one set of accounting standards to another, including changing the controls and systems relating to the production of financial statement will be costly for companies. The SEC will need to consider various factors in deciding whether to mandate IRFS for all U.S. Issuers.

For companies to be ready to comply with IFRS reporting in the timeframe proposed, companies should have plans in place at this time. They should begin to identify and evaluate the educational training that will be required to get current and future personnel ready, what systems would require upgrades, what systems would need to be replaced and whether new software would need to be purchased. These major changes companies will need to have implemented within their organizations to be IFRS ready cannot occur overnight.

There are other factors that should be considered in evaluating the impact of IFRS on U.S. issuers. For example, most U.S. issuers are required to file financial information with other U.S. government agencies such as the Internal Revenue Service ("IRS"). If the SEC was to require reporting in IFRS and such changes were not coordinated with other U.S. Government agencies, companies would be required to maintain both U.S. GAAP books to file reports with the IRS as well as preparing IFRS financial statements. This would be costly for companies to maintain two sets of books.

While some IFRS required disclosures may be similar to U.S. GAAP disclosures that are currently captured in the Management's Discussion and Analysis or the proxy statement, the IFRS disclosures must be in the Notes and, therefore, would be subject to (1) independent audit opinion; (2) Sarbanes Oxley control testing and compliance and (3) Certifications by the Chief Executive Officer and Chief Financial Officer.

The SEC will need to consider that Annual IFRS financial statements would require ongoing disclosures that can be more voluminous, and in some cases more challenging, than disclosures under U.S. GAAP. Examples include:

- Summary of significant accounting policies
- Judgments used in applying accounting policies
- Sources of estimation uncertainty
- Financial instruments disclosures
- Capital risk management strategy and ratios
- Roll forward of balance sheet accounts
- Disclosure of expenses by nature (vs. function)
- Key management compensation

The Roadmap refers to the following seven milestones to be achieved which could lead the SEC to mandate all U.S. issuers to use IFRS:

A. Improvements in accounting standards

The Norwalk Agreement issued in October 2002 announced an understanding between the IASB and FASB to jointly commit to developing a high-quality; compatible set of accounting standards that could be used for both domestic and cross-border financial reporting. The SEC should continue to monitor the activities of both the FASB and the IASB and the progress of their efforts.

B. Accountability and funding of the International Accounting Standards Committee ("IASC") Foundation

The IASB is based in London and is an accounting standard setting body established to develop global standards for financial reporting. It is overseen by the IASC Foundation. The SEC will need to monitor the IASC to determine whether they will continue to have a secure, stable funding mechanism that permits it to function independently and that enhances the IASB's standard setting process. The SEC will evaluate the effectiveness of the oversight mechanism (including the functioning of the multilateral nature of the Monitoring Group) in making the determination whether mandating IFRS is in the public interest for the protection of both U.S. investors and markets.

C. Improvement in the ability to use interactive data for IFRS reporting

During 2009, U.S. public companies will begin to provide their financial statements to the SEC and on their corporate Web sites in interactive data format using the eXtensible Business Reporting Language ("XBRL") in order to improve their usefulness to investors. In order to realize the improvements in the usefulness and comparability of financial information anticipated upon the widespread use of interactive data, U.S. issuers would have to be capable of providing IFRS financial statements to the SEC in interactive data format at a greater level of detail than is currently available. If all companies do not adopt IFRS there will apparent inconsistencies in comparison of financial statements. Development of an IFRS list of tags for interactive data reporting is essential if the SEC will require the use of IFRS for all U.S. issuers.

D. Education and training relating to IFRS

IFRS relies heavily on practitioner judgment since it is a principle based system, which is a "mindset" adjustment from the practice followed by U.S. GAAP, which is largely a rules-based system. The upfront costs that companies would need to incur would include system upgrades, new systems as well as educational training of personnel so that they understand and are consistently applying IFRS. Public accounting firms would also incur large costs to train personnel for IFRS reporting. In addition, investor education is particularly important, so that users of financial statements can work with the financial information issuers publish. The main benefits to investors of a single set of high-quality globally accepted accounting standards would be realized only if investors more fully understood the basis for the reported results.

If this Roadmap is going to be implemented in the timeframe proposed, colleges and universities will need time to begin offering courses related to IFRS to better prepare students going into the workforce. Professional associations and industry groups would need to integrate IFRS into their training materials, publications, and certification programs.

E. Limited early use of IFRS where this would enhance comparability for U.S. investors

The SEC needs to consider how prior period adjustments will need to be handled upon adoption of IRFS. For example, IFRS conversion may lead to the identification of errors in prior U.S. GAAP based financial statements as part of the reconciliation process. These errors must be disclosed apart from adjustments related to moving to the new IFRS accounting standards.

This Roadmap contemplates that the SEC would make a decision in 2011 with regard to the mandated use of IFRS. If the SEC postpones or delays IFRS indefinitely, this could create a dual system of financial reporting for U.S. public companies. The SEC needs to evaluate how to handle this situation. This would reduce the comparability among U.S. issuers and would require investors to be familiar with both sets of accounting standards.

F. Anticipated timing of future rulemaking by the SEC

The SEC would make a decision in 2011 whether to proceed with rules requiring U.S. public companies to file financial statements prepared in accordance with IFRS by 2014 if it is in the public interest and promotes investor protection. The SEC believes that IFRS has the greatest potential to become the global standard of accounting and believes it is in the best interest of U.S. investors, U.S. issuers and U.S. markets to consider mandating reporting using IFRS in the United States as well.

G. Implementation of the mandatory us of IFRS by U.S. issuers

The mandatory use of IFRS by U.S. issuers is being proposed in a staged transition. IFRS would require large accelerated filers to reconcile their U.S. GAAP financial statements to IFRS in the 2014 10-K using calendar year end reporting. For example, IFRS would require the following:

- Opening IFRS balance sheet: January 1, 2012
- Last U.S. GAAP balance sheet: December 31, 2013
- Last U.S. GAAP full year income statement: 2013

The overall purpose of this Roadmap is to establish a single set of high-quality globally accepted accounting standards to improve the consistency of financial statements throughout the world. It is important that the accounting standards produced are capable of improving the accuracy and effectiveness of financial reporting globally. I think the SEC should postpone the mandatory requirement of IFRS by all U.S. issuers in the proposed timeframe and instead continue to encourage and monitor the activities of the IASB and FASB and their efforts on the convergence project to accomplish this task of developing a comprehensive globally accepted set of accounting standards.

Thank you for the opportunity to comment on the Roadmap. If you have any questions, please contact me at (412) 762-9166.

Sincerely,

Sharon L. Stewart