First Data.

April 20, 2009

VIA Email

Ms. Florence E. Harmon, Acting Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
rule-comments@sec.gov

RE: File Number S7-27-08

We welcome the opportunity to respond to the Commission's request for 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" ("Roadmap"). We believe that in today's increasingly global economy and marketplace a move to a single high-quality set of globally accepted accounting and reporting standards is inevitable and will occur at some point in the future. Accordingly, we generally support the Commission's efforts to achieve that goal.

The Roadmap generated very useful dialogue on the topic and increased the awareness of and focus on IFRS by U.S. issuers and financial statement users in general. In this letter we would like to offer the Commission our views on select issues and questions related to the Roadmap.

Our main views on the Roadmap can be summarized as follows:

- In order to achieve full international comparability of financial reports, the ideal end state would be for all countries and/or jurisdictions to adopt the same single set of high quality standards; however, the benefits from using a single set of standards should be carefully weighed against the significant costs and complexity of such a conversion.

- Alternatively, a high level of comparability could be achieved through convergence of various accounting standards around the world. This alternative would likely take longer to achieve high comparability and would not result in identical standards as some differences would likely remain between the jurisdictional standards.

- We believe that a combination of the two approaches above would be the most effective option and create less disruption to companies' operations. Consistent with the milestone #1 in the Roadmap, the Commission should wait to mandate the conversion to IFRS until after the FASB and the IASB substantially complete their convergence project.

- We agree with the milestones set out by the Commission in the Roadmap and believe that the Commission should not mandate conversion to IFRS until the milestones have been substantially achieved.

- We ask that the Commission modify the proposed timeline for adoption of IFRS in 2014 to allow for a longer period of time between its decision date and the IFRS transition date to allow for an orderly and efficient conversion process for U.S. issuers.

- The timing for adoption of IFRS should take into account the willingness and readiness of other U.S. federal and state regulatory agencies, including the Internal Revenue Service, to accept company filings based on IFRS financial statements.

- The Roadmap should also address future plans to transition private companies to IFRS (perhaps by replacing U.S. GAAP with "IFRS for Private Entities"). Otherwise, the existence of a dual-GAAP financial reporting system in the U.S. for public vs. private entities will substantially diminish the benefits achieved from U.S. public issuers adopting IFRS.

Our more detailed views are expressed in the remainder of this letter.

Question 1: Do commenters' agree that U.S. investors, U.S. issuers and U.S. markets would benefit from the development and use of a single set of globally accepted accounting standards? Why or why not? What are commenters' views on the potential for IFRS as issued by the IASB as the single set of globally accepted accounting standards?

We agree that U.S. investors, U.S. issuers and U.S. markets could realize benefits from the development and use of a single set of globally accepted accounting standards, most significantly from the increase in comparability of financial reports across global markets resulting from the use of high quality, consistent accounting and reporting requirements by all issuers. Additionally, resolving inconsistencies between the various accounting standards should create reporting efficiencies for U.S. issuers with international operations and their auditors, and the investors would reap the benefits of these efficiencies. For these reasons, we agree that the U.S. should be targeting a converged global set of high quality standards.

IFRS as issued by the IASB has the potential for becoming a single set of globally accepted accounting standards; however, we agree that the Commission should not require the use of IFRS until it is satisfied that the IFRS standards are of high quality and sufficiently comprehensive as outlined in the first milestone of the Roadmap. We believe additional improvements to IFRS are necessary and can be achieved through the continuation of the ongoing joint convergence efforts between the IASB and the FASB. We feel strongly that the Commission should not mandate the use of IFRS by U.S. issuers until such time that the convergence project is substantially completed.

<u>Question 2:</u> Do commenters agree that the milestones and considerations described in Section III.A. of this release ("Milestones to be Achieved Leading to the Use of IFRS by U.S. Issuers") comprise a framework through which the Commission can effectively evaluate whether IFRS financial statements should be used by U.S. issuers in their filings with the Commission? Are any of the proposed milestones not relevant to the Commission's evaluation? Are there any other milestones that the Commission should consider?

We agree with the milestones and considerations described in Section III.A of the release as a framework through which the Commission can effectively evaluate whether IFRS should be used by U.S. issuers.

In addition to the proposed milestones, we believe that the Commission should consider the willingness and readiness of other U.S. federal and state regulatory agencies to accept financial reports based on IFRS prior to making its decision on the mandatory use of IFRS and in determining the effective date for the conversion. Conversion to IFRS will significantly increase the level of differences between financial reports used for public reporting and filings for income tax and regulatory purposes. Without this acceptance, U.S. issuers would be forced to maintain multiple sets of accounting records for an extended period. This would result in increased costs to companies for maintaining reporting and accounting systems and related systems of internal controls, increased audit fees, and substantial ongoing reconciliation activities, thereby detracting the focus from issuers' operations and reducing returns to investors.

Another milestone that the Commission may wish to consider is the future of U.S. GAAP and potential conversion of non-public U.S. entities to IFRS. Once the use of IFRS is required for U.S. public registrants, the expectation should be that non-public entities would also need to convert to IFRS shortly after the conversion of public entities. Otherwise, global comparability benefits achieved for public entities would be substantially diminished by the negative effects of non-comparability of financial reports between public and private enterprises. Dual-GAAP reporting in the U.S. for public vs. private entities would lead to confusion for investors, lenders and other users of financial statements. It would also make it more costly and time consuming for private companies to access public equity and debt markets since it would require a conversion to IFRS. Private companies acquired by public entities would need to undergo IFRS conversions resulting in increased transaction costs for public-private transactions. We believe that the Commission should consider the implications of creating a dual-GAAP system in the U.S. prior to making its decision on the use of IFRS by U.S. issuers and in determining the timing for the conversion.

<u>Question 3:</u> Do commenters agree with the timing presented by the milestones? Why or why not? In particular, do commenters agree that the Commission should make a determination in 2011 whether to require use of IFRS by U.S. issuers? Should the Commission make a determination earlier or later than 2011? Are there any other timing considerations that the Commission should take into account?

We ask that the Commission consider publishing an updated Roadmap after considering the responses received from constituents to enable the affected issuers to better plan for the impacts of the Commission's decisions regarding possible use of IFRS. While we believe the Commission should wait until the milestones have been substantially met before making its determination whether to require the use of IFRS, we ask that the Commission commit to providing more time from the date of its determination to the IFRS transition date to enable issuers to complete the conversion activities in an orderly and efficient manner (see additional discussion in response to Question #4 below). Many issuers have taken a "wait and see" approach as they are reluctant to invest significant resources in the IFRS conversion project, particularly in light of the current economic conditions, until the uncertainty over the use of IFRS has been resolved. It would be most helpful if the Commission provided an update to the Roadmap as early as possible and before the end of 2009.

Question 4: What are commenters' views on the mandated use of IFRS by U.S. issuers beginning in 2014, on an either staged-transition or non-staged transition basis? Should the date for mandated use be earlier or later? If the Commission requires the use of IFRS, should it do so on a staged or sequenced basis? If a staged or sequenced basis would be appropriate, what are commenters' views on the types of U.S. issuers that should first be subject to a requirement to file IFRS financial statements and those that should come later in time? Should any sequenced transition be based on the existing definitions of large accelerated filer and accelerated filer? Should the time period between stages be longer than one year, such as two or three years?

If the Commission determines to require use of IFRS by U.S. issuers then we believe it would be most preferable that all issuers adopt IFRS at the same time. We disagree with the staged approach for the adoption of IFRS as it would create non-comparability between U.S. issuers and possible confusion for users of financial statements as a result of dual GAAP reporting. We believe that if the Roadmap allowed for an adequate period after the determination date for issuers to convert to IFRS, all issuers should be in a position to convert to IFRS by the same date.

The adoption timeline should allow for sufficient implementation period between the decision date and the IFRS transition date (i.e. date of the IFRS opening balance sheet). We believe that a three year implementation period prior to the transition date would allow sufficient time to cost effectively prepare for adoption of IFRS. For example, if the Commission were to make its determination in 2011 to require use of IFRS, issuers should be allowed until the end of 2013 to perform conversion activities. Then, depending on the number of periods required by the Commission in the initial filing using IFRS, issuers should be ready to adopt IFRS in annual reports for the year ended 2015, if only two years of financial statements were required, or 2016, if three years of financial statements were required. As proposed in the Roadmap, the determination date in 2011 for the mandated use of IFRS by U.S. issuers beginning in 2014 with three years of financial statement data does not allow sufficient time for an orderly and cost effective conversion to IFRS. If the Commission desires to achieve the IFRS conversion by 2014 then the Commission should consider accelerating the date of its decision on mandatory use of IFRS prior to 2011 and additionally consider limiting the number of periods for which IFRS financial statements are required in the initial filing using IFRS to only two years. Otherwise, the IFRS adoption date should be deferred to a later period to provide sufficient lead time for the conversion.

<u>Question 9:</u> What are commenters' views on the IASB's and FASB's joint work plan? Does the work plan serve to promote a single set of high-quality globally accepted accounting standards? Why or why not?

We believe that the IASB's and the FASB's joint work plan does serve to promote a single set of high-quality globally accepted accounting standards. While US GAAP and IFRS are both considered to be high-quality accounting standards, each set of standards has its own positive and negative aspects. Convergence has the potential to improve both sets of standards by focusing on the best aspects from each set. Continuation of convergence could be an alternative approach to a date certain adoption of IFRS in moving to global accounting standards. Benefits of continuing down the path of convergence vs. the date certain adoption would be (i) creation of a global "gold" accounting and reporting standard, (ii) retention of comparability in financial reporting amongst U.S. public and private companies, and (iii) retention of control over the standard setting process for U.S. issuers by the Commission thereby ensuring that accounting standards continue to protect the interests of U.S. investors. Significant progress on the convergence project prior to mandatory conversion to IFRS would minimize the transition costs of issuers and result in less disruption to their operations.

<u>Question 29:</u> Should we limit the first filing available to an annual report on Form 10-K, as proposed? If not, why not? Is the proposed transition date of fiscal years ending on or after December 15, 2009 appropriate? Should it be earlier or later, and why? What factors should be considered in setting the date?

We agree with the proposed requirement that the first filing using IFRS should be included in an annual report on Form 10-K.

<u>Question 33:</u> To facilitate the transition to IFRS, should we add an instruction to Form 10-K and Form 10-Q under which an issuer could file two years, rather than three years, of IFRS financial statements in its first annual report containing IFRS financial statements as long as it also filed in that annual report three years of U.S. GAAP financial statements? Under such an approach, an issuer could, during its third year after beginning its IFRS accounting, choose to file a Form10-K/A with IFRS financial statements covering the previous two fiscal years. For the current (third) fiscal year, the issuer could then file quarterly reports on Form 10-Q using IFRS financial statements. For example, a calendar-year issuer that began its IFRS accounting for the 2010 fiscal year would use U.S. GAAP to prepare its Forms 10-Q and Forms 10-K for the 2010 and 2011 fiscal years. In 2012, that issuer would have the option of filing a Form 10-K or a Form 10-K/A with IFRS financial statements for 2010 and 2011, which would allow it to use IFRS in its quarterly reports during

2012, or continuing to use U.S. GAAP. In either case, the Form 10-K covering the 2012 fiscal year would include three years of IFRS financial statements.

In light of the significant complexity and cost of an IFRS conversion and of maintaining parallel U.S. GAAP and IFRS reporting and controls systems from the IFRS transition date to the IFRS reporting date, we believe that the Commission should provide an exception to allow U.S. issuers to file only two years of financial statements in their first report containing IFRS financial statements (i.e. based on the example above Form 10-K covering 2012 fiscal year would include only two years of IFRS financial statements). Additionally, there should not be a requirement to also file three years of U.S. GAAP financial statements in that year. The annual report in the following year would contain three years of IFRS financial statements. That would be consistent with the requirements of IFRS 1 and would significantly reduce conversion costs for issuers thereby also benefitting their investors.

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We appreciate the opportunity to share our views and recommendations with the Commission regarding the Roadmap for the potential use of IFRS by U.S. issuers. If you have any questions regarding the contents of this letter please contact Igor Aksyonov at (303) 967-8703 at your convenience.

Sincerely,

Gregg Sonnen
Senior Vice President and
Chief Accounting Officer