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April 20, 2009

Ms. Elizabeth Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

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

JP Morgan Chase & Co. ("JPMorgan Chase" or "the Firm") appreciates the opportunity to comment on the Securities and Exchange Commission's ("SEC's") Proposed rule *The Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers.* JPMorgan Chase supports the development and use of a single set of globally accepted accounting standards. The issuance of the SEC's proposed Roadmap is a critical step in this process.

In providing feedback on the proposal, the Firm has not addressed each of the individual questions posed by the Commission, but instead has broadly addressed below some of the key areas for which feedback was requested. We hope that you will find our comments and suggestions useful as you continue moving forward with the Roadmap.

Milestones

- The Firm agrees with the proposed milestones that must be achieved prior to adoption of IFRS for U.S. GAAP filers. We believe that well defined objective criteria need to be plotted against such milestones so that progress against those milestones can be tracked and to ensure that they are being met in a meaningful way.
- We strongly support the recommendation within the Roadmap that a study be conducted to assess the implications of a transition to IFRS for investors and other market participants to ensure that it is truly beneficial for all parties. Further, we agree with the comments provided by the Financial Accounting Foundation on this point to fully examine and evaluate the strengths, weaknesses, costs, and benefits of the current proposal and compare it with other approaches (of achieving a single set of accounting standards globally). A thoughtful and deliberate study is not only necessary to make a decision for mandatory transition to IFRS, but will also provide a better basis to determine a reasonable timetable.

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- The milestones, while achievable, will not be met without challenges. For instance, the proposed timeline around the convergence of significant accounting standards is aggressive when compared to historical efforts around convergence. The areas to be addressed in the current IASB/FASB work plan are some of the most complex areas in the accounting framework. Several of these topics (e.g., fair value, consolidation and derecognition, and business combinations) have been studied and debated over many years. We believe that the Commission will need to closely monitor the progress of the work plan based on objective criteria, as noted above.
- While the Commission and standard setters have demonstrated great energy toward initiating the transition and acceptance of IFRS in the U.S., this effort will not result in a single set of high quality global financial standards unless the application of IFRS globally is "in accordance with standards as issued by the IASB" and not impacted by local IFRS reporting exceptions. The Commission may want to include progress on this point within the formal milestones.
- The proposal acknowledges that there are a number of constituents in the U.S. that currently either rely on, or make significant use of, financial information prepared in accordance with U.S. GAAP. As such the implications of transition are not only limited to accounting and core financial reporting, but also have broader impacts on the capital markets. When transition occurs, all relevant constituents will need to accept IFRS, in place of U.S. GAAP, in order for the transitioning entities to seamlessly convert to IFRS and realize the benefit of a single accounting platform. Examples of such third party users include bank regulators and tax authorities, as well as counterparties with which an entity may have contractual agreements with terms that are dependent on financial information, such as debt covenants. While it is the Firm's belief that each institution will likely have the mandate to work with its individual counterparties to ensure acceptance of the application of a new set of financial reporting standards, the Firm believes that a specific plan to work with broader based constituents such as bank regulators and tax authorities should be developed and included within the formal Roadmap.

Early Adoption

The Firm agrees that there are benefits to providing certain entities with the ability to transition to IFRS prior to a mandatory conversion date including institutions whose competitors are predominantly IFRS filers and for which a sizable portion of their operations are currently reporting under IFRS in stand alone local financial statements. We also believe that U.S. corporate reporters as a whole could obtain implementation insights and broad benefits from the early adoption experiences of such entities. However, we believe that the Roadmap should be explicit in stating that once an entity qualifies for early adoption and has prepared financial statements in accordance with IFRS, it should not be at risk for having to convert back to U.S. GAAP if the mandatory requirement for adoption is not achieved for the U.S. market as a whole. Where a mandatory adoption requirement is not achieved, such entities should be allowed to report on a basis consistent with current 20F filers that prepare financial statements in accordance with IFRS and not be required to prepare a reconciliation to U.S. GAAP. Eliminating the risk of having to revert to U.S. GAAP will temper the current disincentive to early adopt due to uncertainty and will likely result in a more representative population of early adopters.

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Transition
The proposed Roadmap states that "An eligible issuer that elects to file IFRS financial statements with the Commission under the proposed amendments would be required first to do so in an annual report containing three years of audited financial statements." The Commission proposes to enforce the three year requirement as the proposed Roadmap …. "relate to the set of accounting principles that is used….and not to the periods for which financial statements are required……". While we understand the Commission's desire to provide a consistent level of information across all public filers, we believe that further consideration should be given whether there are substantial downside risks to providing only two years of audited financial statements under IFRS. Recreating financial information (or preparing two sets of books) as well as obtaining the related audit sign-off will likely be costly. While we do not question the need in the year of transition of providing the prior year's information on the same basis, we believe that further analysis should be done to determine if the benefits of providing the additional years worth of historical data outweigh the likely costs.

Ultimately, the level of burden associated with providing data for prior periods will be driven by the level of convergence that takes place: where standards have converged, the transition will be less burdensome; where they have not, the provisions within IFRS 1, which generally require some form of retroactive application, could result in a significant burden on preparers.

Safe Harbor for Market Risk Disclosures
The Proposed Roadmap acknowledges that the quantitative and qualitative market risk disclosure currently provided by entities that is subject to the statutory safe harbors to the extent it constitutes "forward looking statements" would, upon transition to IFRS, no longer be covered by such safe harbors. This is due to the fact that IFRS 7 "Financial Instruments: Disclosure" as recently amended, requires such market risk disclosure to be included in the footnotes to audited IFRS financial statements and not Management's Discussion and Analysis. The nature and information included within these disclosures will not change upon adoption of IFRS. Therefore, we believe that the SEC should address this issue as part of the Roadmap specifically by establishing the appropriate regulations to extend the safe harbor protections to market risk disclosures regardless of their location within the financial statements.

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As previously noted JPMorgan Chase supports the development and use of a single set of globally accepted accounting standards and is pleased to be of assistance to the Commission in achieving that goal. If you have any questions or would like to discuss our comments further please do not hesitate to contact me at 212-648-0906.

Sincerely yours,

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