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

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

File Number S7-27-08

Dear Ms. Murphy:

MetLife, Inc. ("MetLife") appreciates the opportunity to provide comments on the Securities and Exchange Commission's ("SEC's") proposed *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers* ("Roadmap"). MetLife is a leading provider of insurance, employee benefits and financial services with operations throughout the United States and the Latin America, Europe and Asia Pacific regions. In addition to being a U.S. registrant, MetLife is also a large institutional investor and, as such, a significant user of financial information provided by other U.S. registrants.

We commend the SEC for undertaking this important initiative. Recent market events have demonstrated the interconnectedness of the global capital markets and the need for transparent financial reporting, independent standard setting and effective regulation. MetLife supports the use of a single set of high-quality globally accepted accounting standards. We believe investors and preparers would benefit substantially if market participants in all of the major securities markets agree to a common, easily accessible and understandable set of accounting standards. International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") is the most well-established set of international accounting standards that has been promulgated and has been gaining acceptance worldwide and, as such, is best positioned to provide this common platform. A single set of global standards will facilitate a worldwide comparison of companies' financial results by investors and other stakeholders. The increased comparability will increase users' understanding of the companies' financial information and enhance their decision-making process. Establishing a single set of global accounting standards could also lead to reduced compliance and regulatory costs.

The process by which the United States adopts IFRS should not, however, be in haste and must consider the significant implications to the preparer and user community, including a loss or deterioration of the quality of information to which the user community has become accustomed to receiving under U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). The quality and completeness of IFRS; the process for development, maintenance and enforcement of IFRS; the consistency with which they are adopted and enforced; and the impact of their implementation are all critical issues that need to be considered while adopting IFRS and while shepherding the process of transition.

Rather than responding directly to each question raised in the Roadmap, we have organized our comments into general themes that address the specific questions in the Roadmap that are particularly important to MetLife as a preparer and user. The main themes are: (i) Development of IFRS and Convergence vs. Conversion from U.S. GAAP to IFRS; (ii) IASB Structure and Standard Setting Process; (iii) SEC's Enforcement of IFRS; (iv) FASB's Role; (v) Adoption Considerations; (vi) Early Adoption; (vii) Milestones and Assessment of Readiness of U.S. Registrants and Stakeholders to Transition to IFRS; (viii) Timing and Number of Years Presented; (ix) Staged Transition; and (x) Other Matters.

I. Development of IFRS and Convergence vs. Conversion from U.S. GAAP to IFRS

Although IFRS is a well-established set of accounting standards, and has been gaining acceptance worldwide, certain critical guidance is still evolving. For example, IFRS does not currently have one standard for measuring insurance liabilities. IFRS No. 4, *Insurance Contracts*, is an interim standard that directs insurance enterprises to apply their local GAAP accounting for insurance contracts. Without a comprehensive standard on the accounting for insurance contracts under IFRS, the objective of achieving comparability through the use of a common set of accounting standards as sought by the Roadmap cannot be achieved for the insurance industry. While the development of an insurance contracts standard is particularly important to our industry, there are several other key IASB projects that will establish fundamental accounting principles without which we do not believe the objectives of the Roadmap can be achieved. As the Roadmap acknowledges, successful completion of key projects should be a requirement for transition to IFRS. The specific projects and fundamentals of IFRS which need further development should be established as a part of the Roadmap.

The SEC has encouraged the convergence of U.S. GAAP and IFRS; and the Financial Accounting Standards Board ("FASB") and IASB have issued or revised accounting pronouncements with a view toward eventual convergence. The FASB and IASB have made progress on convergence since the implementation in 2002 of the Norwalk Agreement and the Memorandum of Understanding in 2006, as updated in 2008. However, convergence has proven to be a slow process. Despite their diligent efforts, the IASB and FASB appear to have different views on certain key issues relating to joint projects. Key areas of divergence include, but are not limited to, accounting for pension liabilities, taxes, financial instruments, and business combinations. In addition, local standard-setting is still subject to national influence. This is evidenced by countries that have made their own modifications to IFRS. In the U.S., the significantly litigious environment has influenced the accounting guidance relating to contingencies and uncertainties.

While we commend the convergence efforts, including projects that have concluded and those scheduled to be completed by 2011, we are concerned that this process will: (i) continue to consume significant user and preparer resources used in tracking and comprehending the actions and decisions of both the FASB and IASB; (ii) fail to garner sufficient attention and resources necessary for preparers to effectuate a successful transition to IFRS and may continue to cause the convergence to be seen as an "accounting exercise" rather a change in the way all companies prepare and communicate results for greater global comparability and transparency; (iii) fail to resolve all project-related differences because of national influences, as well as different views of the FASB and IASB; and (iv) prolong a perception that the U.S. is unwilling to relinquish its accounting standard-setting role and "convert" rather than "converge" to IFRS. The issuance of pronouncements by the FASB and IASB that are not identical does not achieve the ultimate objective of a single set of high quality globally accepted accounting standards. Transition costs to IFRS may also increase as preparers could be required to undertake multiple conversions over a relatively short period of time. Issuance of differing pronouncements also prolongs the lack of comparability of U.S. GAAP-based and IFRS-based financial information.

We believe a positive statement in the final Roadmap that, at some point, all U.S. filers will be required to convert to IFRS would stimulate preparers, users, auditors and academia to focus on IFRS and demonstrate that both the SEC and the FASB are fully committed to global accounting standards. This would also lead to more timely and efficient attainment of several of the proposed milestones. However, there are other key milestones relating to the IASB's and SEC's roles during the transition to IFRS and thereafter which must be achieved before an adoption of IFRS can be successful. Similarly, the future role of the FASB needs to be clarified. Our views on these issues are set forth in the following sections.

II. IASB Structure and Standard Setting Process

Independence of IASB and IFRS

A fundamental responsibility of the SEC is overseeing U.S. accounting standard setters. In contrast, the International Accounting Standards Committee Foundation ("IASCF"), which governs the IASB, has had no link to national securities regulators. Although the IASCF Trustees have created a monitoring board comprised of global securities authorities, it is not clear whether IASCF or the IASB have the authority and the ability to confront political pressure from governments around the world. Without IASB independence and authority, political influences could result in the inconsistent application of IFRS. Local governments and regulators currently permit certain departures from IFRS as promulgated by the IASB. The SEC and other global security regulators should advocate full application of IFRS as issued by IASB and should also support the International Organization of Securities Commissioners' ("IOSCO's") role to supervise the IASCF and IASB and deter political influence.

Funding Changes

As mandated by Congress, the FASB is funded through formulaic assessments of companies that report to the SEC. In contrast, the IASB is heavily dependent on voluntary contributions including those from large international companies and associations. The current funding mechanism contributes to the perception that the IASB may not function as an independent standard setter. We believe that the funding plan proposed by the IASCF in the current round of their constitutional review appears adequate to promote the necessary independence of the IASB. However, in order to be recognized as "generally accepted" in the U.S., a standard-setting organization needs to comply with the requisite sections of the Securities Act of 1933 and the Sarbanes-Oxley Act of 2002 ("SOX"). It is not clear that the IASB currently meets those requirements and what IASB changes would be needed to achieve compliance.

Standard Setting Process

We suggest the SEC review the IASB standard-setting process and determine whether it satisfies U.S. standards and produces accounting guidance in an expedient, consistent and cost-efficient manner. Effective standard-setting procedures include due process that provides opportunity for participation from all stakeholders involved in financial reporting. Due process enables accounting guidance to be developed and existing guidance to be modified in a structured and transparent manner.

III. SEC's Enforcement of IFRS

We believe there is uncertainty as to the ultimate oversight and enforcement responsibility the SEC will have regarding the application of IFRS by U.S. registrants, as well as the SEC's interaction with other international regulators. The SEC's role is key in maintaining the integrity of the U.S. markets. Defining and communicating this role will be even more critical given that IFRS is more principles-based providing companies greater flexibility in developing their own detailed accounting policies. We believe that an understanding of how the SEC will exercise its oversight and enforcement responsibilities, as well as how it will evaluate registrants, including their management and auditors, on their use of professional judgment in the application of accounting policies under IFRS should be more clearly articulated in the Roadmap.

To fully adopt IFRS, we believe that SEC promulgated accounting guidance must be limited. If the SEC believes additional guidance is necessary due to perceived misapplication of existing standards or new accounting issues, such revisions should be made within the IFRS framework rather than creating a separate set of guidance applicable only to U.S. registrants. This will avoid putting U.S. registrants at a disadvantage because of a second tier of accounting guidance. Global regulators, including the SEC, will need to work within an infrastructure that allows oversight over the IASB standard-setting process and enforcement of the accounting standards. However, while the SEC should not work in isolation, it should still be an integral part of the accounting standard setting process (within the U.S. legal framework) and should work in conjunction with the FASB in being the voice for U.S. companies and investors.

IV. FASB's Role

The role and responsibilities of the FASB after the adoption of IFRS are another matter left unanswered in the Roadmap. We believe that, given the significant impact U.S. markets have on the global economy, it is important for the U.S. to maintain an organization which can be a focal point for assisting U.S. stakeholders in influencing the development and interpretation of international accounting standards. Additionally, the role of the FASB in the maintenance of U.S. GAAP during the staged transition to IFRS is not clear from the Roadmap.

V. Adoption Considerations

The previous sections address considerations associated with the development and enforcement of IFRS. Set forth below are other adoption considerations which registrants will face and should be considered by the SEC in the development of its Roadmap.

Adoption of Principles vs. Rules Based Standards

The conversion to IFRS will require U.S. registrants to move from a more rules-based set of standards to a more principles-based set of accounting standards. The adoption of standards such as Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements*, ("SFAS 157"), highlighted to U.S. registrants the challenges associated with the implementation of a more principles-based standard. The application of principles-based standards requires management to exercise more judgment in determining how to account for transactions and in formulating their views on the application of particular standards to their transactions. Where options are available under IFRS, management will need to evaluate the alternatives and seek consultation with all interested parties within the organization on the decisions to be taken. Further, as we learned with the adoption of SFAS 157, where decisions or judgments regarding the application of such principles-based standards are particularly subjective/interpretative; the accounting firms require time to formulate a consensus perspective and evaluate management's decisions/judgments. Accordingly, the adoption of such standards requires additional resources, extra time, greater accounting expertise, and more detailed documentation and disclosure of such decisions. The Roadmap should allow companies ample time to develop such company-level policies under IFRS and the SEC should more clearly articulate in the Roadmap how it will enforce the application of principles-based standards.

Impact on Contractual Provisions and Other Commitments Using U.S. GAAP Measures
A company's contractual and other commitments often depend upon or reference its reported financial results or a comparison of its results to those of its peers. Debt indentures and covenants, performance-based compensation, and regulatory capital requirements are several examples of contractual provisions, commitments or requirements that may be based on a company's reported financial information. Such contractual provisions, commitments or requirements may be formulated in terms of a company's U.S. GAAP results and may not envision or permit reporting under IFRS. The company's financial results may be more or less favorable under IFRS than under U.S. GAAP and conversion may alter a company's ability to meet these contractual provisions, commitments or requirements. As a result, companies that convert to IFRS will need to consider amending those provisions with their counterparties. U.S. registrants, particularly early adopters, may not have adequate time to consider such implications as the counterparties or regulators establishing the requirements may want to review IFRS-based financial results over several periods and/or change their requirements, based upon a review of IFRS results. Additionally, performance-based compensation plans which reference U.S. GAAP results of a registrant and its peers will need to be modified to consider the change to IFRS and the potential staged adoption of IFRS. The changes, however, are predicated on the ability to develop meaningful IFRS-based performance measures, which will require the preparation and publication of IFRS-based results over a period of time by the registrants and their peer group.

Implementation Costs
Implementation costs associated with the adoption of IFRS will be substantial. The costs – both in terms of incremental external expenses, as well as the expanded utilization of internal resources – come at a time when the global economic crisis has required companies to manage costs more effectively and where many industries are facing transformative changes. We anticipate the costs of the adoption of IFRS will be multiples of the costs of the adoption of SOX, which were substantial, and those first to adopt – whether through early adoption or required implementation as a part of a mandatory conversion to IFRS – will bear the most significant costs. The Roadmap correctly identifies IFRS education and training, IT systems modifications and changes associated with SOX 404 compliance as significant elements of the IFRS conversion process. These are also the areas where a substantial portion of the implementation costs will be incurred and where large accelerated filers will bear a greater proportion of the initial/start-up costs associated with IFRS conversion. Below are our perspectives on such issues.

Education and Training
The need for literacy in IFRS is of paramount importance for a successful transition. Companies must ensure that not only their accounting personnel but all of their financial personnel (e.g. chief financial officers, segment financial officers, investor relations and treasury), as well as management and legal personnel are literate in IFRS such that they understand the company’s results in the context of a new set of accounting standards. Additionally, initial adopters will bear a significant burden in educating the user community (e.g. analysts, rating agencies, regulators, etc). All such activities require time and costs to implement.

It should also be noted that the application of IFRS, as a principles vs. rules-based body of accounting standards, will require accounting professionals with different skills. The ability to make judgments or identify when judgments are required in dealing with transactions will be increased. This will need to be a consideration in the skill level of accounting professionals required to analyze and record such transactions and, accordingly, the cost of such professionals.

Further, as the Roadmap correctly identifies, the readiness of colleges and universities to establish curriculum and develop professors that can train a pipeline of qualified accounting and financial professionals ready to enter the workforce is a significant concern to large enterprises such as MetLife. Without proper training at the university level, organizations such as MetLife – and the accounting firms we engage – will bear this cost.

Furthermore, rules of the NYSE, NASDAQ, and AMEX require members of the audit committee of each listed company to be financially literate and each listed company audit committee must have at least one member who has accounting or related financial management expertise. Many board members who currently meet the "financial expertise" qualifications are not likely to have had experience with IFRS or its adoption as they have been trained in U.S. GAAP. If a company adopts IFRS, its board is likely to need additional training in IFRS in order to meet the level of financial expertise necessary for them to carry out these functions and satisfy these requirements.

IT System Modifications

The adoption of IFRS will require changes in accounting policies, accounting processes, and financial reporting processes which will require adjustments to virtually all IT systems that produce financial information. Underlying databases and subsidiary ledgers along with their interfaces will require modification, as well as general ledgers, consolidation systems, and other financial reporting systems. As an example, insurance enterprises such as ourselves maintain many sophisticated systems associated with the capture of data necessary to value and record transactions associated with the products we sell. As such, substantial modifications in the accounting for insurance contracts will require substantial and costly system modifications. Further, the development of those systems to handle the unique features of financial products requires significant time and human resources. The Roadmap needs to consider the time required to make such complicated system changes. The value of conversion to IFRS in making financial information more comparable needs to be weighed against the direct costs of making such costly systems implementations. Said differently, will shareholders/investors of U.S. companies gain more by earlier comparability to international IFRS reporting companies than they will lose in connection with the costs of compliance with the new standards? This is an essential consideration in our analysis of whether to early adopt IFRS. Additional time to adopt IFRS allows system changes/enhancements to incorporate such prospective changes in the natural progression of system migration. With sufficient time to adopt, the ability to modify systems in the normal course may help mitigate such implementation costs.

SOX 404 Compliance

As the Roadmap correctly points out, SOX 404 compliance is a key consideration in the decision to convert to IFRS. As accounting policies and processes change in the conversion from U.S. GAAP to IFRS, the related risks, process documentation, controls and testing must also change and management will be required to reassess the design and operational effectiveness of internal controls over financial reporting in anticipation of the conversion to IFRS. The costs associated with the documentation and testing of changed or new processes will be significant as financial controls will also change.

Regulation Changes

Overall Review of Rules & Regulations

We appreciate the SEC's efforts in taking steps to modify its rules and regulations to accommodate the use of IFRS by U.S. registrants through the establishment of a new definition of an "IFRS Issuer" and amending Regulation S-X to add a new Article 13 to aggregate the requirements for such an issuer, as well as through the modification of other key Regulation S-X rules (e.g., Rules 3-05, 3-09, etc.). However, it is important to note the substantial interconnection of the SEC rules and regulations and U.S. GAAP. As IFRS evolves and more registrants adopt IFRS, even more detailed changes to the SEC rules and regulations may be required. For example, Regulation S-X Rule 7-03 ("Rule 7-03") includes disclosure requirements for insurance companies. Upon completion of the Insurance Contracts Project, the SEC will need to revisit Rule 7-03 and certain of the schedule rules applicable to insurance (e.g. Rule 12-16). Financial statement captions and descriptions for insurance contracts may change and, hence, these rules will no longer be applicable. Further, the Financial Statement Presentation Project will certainly have an impact on Regulation S-X and Regulation S-K, and the Revenue Recognition Project would eliminate the applicability/relevance of certain Staff Accounting Bulletins. We believe a more comprehensive and detailed review of the rules and regulations is necessary to facilitate efficient adoption of IFRS by U.S. registrants.

Interim Financial Information

One example of an SEC regulation that will have a significant impact on U.S. registrants upon adoption of IFRS is the requirement to disclose selected quarterly financial data under Regulation S-K Item 302(a)(5). Though this is a Regulation S-K requirement, most companies provide such unaudited interim financial information in the notes to their audited financial statements. This rule – whether included within the financial statements or elsewhere in the Form 10-K – requires the inclusion of income and per share data for each quarter within the two most recent fiscal years presented. Therefore, while the Roadmap proposes mandatory conversion commencing with the year-end 2014 Form 10-K, this rule, if unchanged, would require the inclusion of interim financial information for 2014 and 2013 in the initial Form 10-K under IFRS. It is important for preparers to understand if this rule will continue so that registrants are prepared to provide such information in the year of adoption. Further clarification on this and other SEC rules and regulations is essential to the efficient adoption of IFRS.

Use of Safe Harbor Provisions

Forward-looking information has not historically been subject to audit under the SEC rules and regulations. As an example, under IFRS certain market risk disclosures are required to be presented within the notes to the audited financial statements. In the U.S., these disclosures are provided outside of the financial statements and are not subject to audit. We are concerned that such forward-looking information may become subject to audit under IFRS, which would limit their ability to provide a meaningful forward-looking perspective. Consequently, MetLife supports a reassessment of the safe harbor provisions for forward-looking statements. We propose making necessary amendments to the appropriate regulations and forms that will enable the continuation of the safe harbor provisions for forward-looking information of this type as disclosed in audited financial statements.

VI. Early Adoption

We support the SEC's proposal to permit early adoption, especially if the option to adopt early will serve the best interests of the registrant and its industry. We do, however, foresee several substantive deterrents to early adoption, including those outlined below.

Risk of Reversion to U.S. GAAP

Although the Roadmap presents milestones to the transition to IFRS, the SEC will only decide in 2011 to mandate its use from 2014 onward for all U.S. registrants. If a registrant qualifies and decides to early adopt IFRS and in 2011 the SEC decides to revert to U.S. GAAP or delays the use of IFRS, the exercise in conversion could be in vain. The Roadmap leaves open the possibility the SEC could require early adopters to revert back to U.S. GAAP. Early adopters would incur substantial costs in the conversion as described previously and reversion to U.S. GAAP would result in these being sunk costs for such registrants. Without a date certain and with the ability of the SEC to revert to U.S. GAAP, it seems unlikely that registrants will avail themselves of these early adoption rules.

Eligibility Criteria

Apart from our concerns regarding the risk of reversion to U.S. GAAP as articulated above, we believe that the eligibility criteria in the Roadmap need to be reconsidered. The Roadmap proposal that eligibility criteria for the early use of IFRS are to be based on both the prevalence of the use of IFRS and the significance of the issuer in a given industry is complicated, burdensome, and restrictive. Considering the fact that knowledge on transition and implementation issues faced by registrants could be gained from this early adoption, we believe that the pool of eligible candidates should be increased. We believe that the SEC should expand the population of eligible candidates to include U.S. registrants that may not meet the proposed eligibility criteria but have a large number of subsidiaries that are required to publish financial statements in accordance with IFRS. Also, U.S. subsidiaries that currently file U.S. GAAP financial statements with the SEC and whose parent's file on an IFRS basis with the SEC should be eligible for early adoption. Inclusion of such registrants in the population of those eligible for early adoption would increase the number of registrants applying IFRS without substantial incremental costs – and may possibly result in savings to such organizations. These entities have the greatest familiarity with IFRS and could be an excellent source of information on some of the issues faced during implementation. While we understand that the Roadmap does reflect the SEC's concern that a blanket permit for early adoption could hamper comparability within the U.S. between adopters of IFRS and those who continue to follow U.S. GAAP, we believe that there is a need for more voluntary early adopters than the Roadmap's restrictive eligibility criteria will produce for the process to be effective.

Timeframe

We generally agree with the staged transition approach to the adoption of IFRS, which begins with mandatory adoption for large accelerated filers for fiscal years ending after December 15, 2014, followed by smaller accelerated filers and non-accelerated filers. See our separate comments on the staged transition approach in Section IX which follows. We believe, however, that the voluntary early adoption of IFRS would be more successful if the option is made available after the SEC has made an affirmative decision on IFRS implementation. We suggest that the option to early adopt IFRS be postponed until after the SEC decides the future course of action in 2011 when the major accounting joint projects between the IASB and the FASB will be completed or closer to completion.

Impact of Continued Convergence Process between U.S. GAAP and IFRS on Early Adopters

As described previously, U.S. GAAP and IFRS continue to converge through on-going amendments to existing standards and/or the issuance of new standards by the IASB and FASB. Early adopters who implement IFRS in 2009 will have to consider as a part of the conversion process the incremental costs and time involved with further substantial changes to IFRS. Evolving accounting pronouncements including the Insurance Contracts Project may have far reaching effects within our industry, as well as other projects such as revenue recognition, financial statement presentation, leases, pension accounting and so on and would involve more time, effort and cost and could be a major disincentive to early adopt IFRS. The cost, time and effort in addressing these major changes in rapid succession may be a disincentive for early adoption of IFRS.

Alternative Reconciliation Proposals for Presentation of U.S. GAAP Information

The Roadmap requires early adopters to reconcile their IFRS financial statements to U.S. GAAP. The Roadmap provides two proposals in preparing the reconciliation. Under the first proposal ("Proposal A"), companies would include an audited footnote in their financial statements for the transitional year setting forth a one-time reconciliation of certain periods from U.S. GAAP to IFRS. The second proposal ("Proposal B") requires, on an on-going and indefinite basis, an unaudited reconciliation from IFRS to U.S. GAAP for each year of audited financial statements presented. While the information provided by Proposal B would be informative and instructive to the user community – and may well be what is required to educate users such as analysts on the nature of the changes – it is burdensome on companies on an on-going basis as they are required to continue to maintain two sets of financial reporting systems to produce an effective reconciliation. Hence, Proposal B would be a disincentive for registrants to consider early adoption. As a one-time presentation, adoption of Proposal A would be less expensive and more attractive to potential early adopters.

VII. Milestones and Assessment of Readiness of U.S. Registrants and Stakeholders to Transition to IFRS

The Roadmap lists seven milestones to be achieved before the SEC reaches a conclusion on the adoption of IFRS. The first four milestones appear to represent significant points of development towards assessing readiness for conversion to IFRS, while the three latter milestones are simply implementation issues, processes or events which may occur between 2009 and 2011. For example, the limited early use of IFRS is listed as a milestone, but while the Roadmap allows for early adoption, it is unclear whether the lack of early adoption by registrants would be an impediment to conversion or that early adoption is simply something which will be allowed by the Roadmap without being a milestone per se. In other words, what will be the impact if no U.S. registrants early adopt IFRS due to the many disincentives to early adoption as discussed above? Overall, we believe the Roadmap should present in greater detail the method by which achievement of such milestones will be assessed. Before requiring adoption of IFRS, the SEC should establish clear, objective criteria by which constituents can assess progress toward the achievement of the milestones.

We also believe the SEC should establish a mechanism by which to assess the readiness of registrants and stakeholders to adopt IFRS. Whether this is accomplished through a committee of users, preparers, auditors and other constituents who will assess the achievement of these milestones or through a means of soliciting input from U.S. registrants and other stakeholders about their readiness to adopt IFRS, we believe it is important for the SEC to solicit input on the readiness of constituencies before making a final decision regarding the adoption of IFRS in 2011.

VIII. Timing and Number of Years Presented

The Roadmap envisions a period of voluntary adoption starting in 2009 followed by mandatory adoption in 2014. In either case, registrants converting to IFRS would begin IFRS reporting in their Annual Reports on Form 10-K. The Form 10-K would include audited IFRS financial statements for the transitional year, as well as the two preceding fiscal years. Thus, a registrant adopting IFRS in 2014 would need to file audited IFRS financial statements for fiscal years 2012, 2013, and 2014 in its Form 10-K for the fiscal year ended 2014, while a registrant voluntarily adopting IFRS in 2009 would need to file audited IFRS financial statements for fiscal years 2007, 2008, and 2009 in its Form 10-K for the fiscal year ended 2009. Given the timeline in the Roadmap, companies will not have sufficient time to early adopt particularly given the size of the companies that are eligible under the proposed criteria. Even companies that do not adopt until 2014 will be strained given the relatively short timeframe between the SEC's expected decision in 2011 and mandatory adoption in 2014 and the SEC's requirement of three years of comparative financial statements. Insufficient time to implement IFRS could result in the lack of a systematic, thoughtful and efficient adoption process and will result in increased implementation costs. Consequently, we believe there should be two full years between the decision to require IFRS from all filers and the first fiscal reporting year for which IFRS reporting will be required. For example, if the SEC decides in 2011 to mandate IFRS and require three years of audited financial statements, then the SEC should establish a conversion date of 2015 whereby the years 2013, 2014 and 2015 would be required in the first Form 10-K filed using IFRS. This would allow the large accelerated filers two years from 2011 to 2013 to prepare for the first year of conversion.

Alternatively, the SEC's rules and regulations could be amended for purposes of transition to require two years of audited financial statements (i.e., one year of comparative information) which would be consistent with IFRS No. 1, *First-time Adoption of International Financial Reporting Standards*. The SEC itself has required only two years of audited financial statements from foreign private issuers upon adoption of IFRS, and other regulatory and monitoring authorities have also considered this approach. The European Union required two years of financial statements, and Canada will require two years when its issuers are required to file under IFRS. Amending the SEC's rules and regulations to require only two years of audited financial statements would reduce the time needed between the decision to require IFRS adoption and the first year to file under IFRS and would reduce the costs associated with the implementation of IFRS.

IX. Staged Transition

MetLife agrees with the staged transition approach to adopting IFRS as outlined in the Roadmap. A staged transition would allow preparers, users and regulators time to understand and implement IFRS and would also allow for training and resource allocation to occur at a practical pace. It would, however, force large accelerated filers to bear a substantial burden in terms of cost and effort in education, training, and review of internal controls, systems development and the initial effort involved in the interpretation of IFRS principles-based standards in the context of the U.S. marketplace.

The staged transition approach utilized with respect to the adoption of SOX provided large accelerated filers such as MetLife with several lessons regarding the application of new guidance to subsidiary registrants or SEC filers of the consolidated group. Specifically,

1) <u>Subsidiaries of Accelerated Filers</u> – We are a large accelerated filer, but we have lower level subsidiaries which are SEC registrants but are not accelerated filers and which would not be subject to the adoption of IFRS until 2015 or 2016. This would require us to maintain U.S. GAAP-based records for those lower level subsidiaries while at the same time providing IFRS for the parent. This would not be cost-effective. As such, we would recommend that the SEC allow subsidiaries of large accelerated filers to utilize IFRS in advance of their staged transition date.

2) <u>Product Filings</u> – As a life insurance company, we offer registered variable insurance products through certain of our subsidiary insurance companies which are subject to SEC filing requirements on Forms N-4 and N-6. They file financial statements with the SEC on these registration forms, although technically the registrants that issue the variable products are certain separate accounts sponsored by the insurance subsidiaries. Currently, insurance companies that issue variable products are allowed to file utilizing financial statements prepared in accordance with statutory accounting principles if U.S. GAAP financial statements are not available. With the conversion to IFRS, it is unclear from the Roadmap whether IFRS will be permitted in financial statements filed for such companies on Forms N-4 and N-6. Currently, we file U.S. GAAP financial statements for these companies, and if IFRS is not permitted, it would be most cost-effective to revert to filing statutory financial statements when complying with the filing requirements under Forms N-4 and N-6 so as not to be required to maintain U.S. GAAP for these entities. The Roadmap should address these instances of potential inconsistency.

3) <u>Registered Investment Companies</u> – Consistent with the reasoning outlined previously, investment companies should be provided with the option to file under IFRS, as long as all entities within the investment company complex (including the investment adviser or the adviser's parent, if they are public companies) also do so.

Staged transition will also impact the test of significance rules and pro forma presentations on acquisitions or probable acquisitions of smaller registrants or private companies by large accelerated filers during the IFRS transition phase. Based upon the Roadmap, the tests of significance and the presentation of financials due to the acquisition of the smaller registrants or private companies under Regulation S-X Rule 3-05 (subsidiaries) or Rule 3-09 (equity investees) will need to be computed using IFRS. The application of the significance test and the completion of the required filings and pro formas under the test will become particularly burdensome when the acquiree has yet to prepare its financial statements under IFRS. Accordingly, we believe the Roadmap and the related SEC rules and regulations should provide additional time to complete such tests and presentations.

X. Other Matters

Lastly, we would like to highlight an issue of particular importance to the insurance industry. The National Association of Insurance Commissioners ("NAIC") publishes U.S. statutory accounting principles, which insurance companies are required to use in preparing their financial statements for filing with state insurance regulators. Much of the codified U.S. statutory accounting principles are based upon U.S. GAAP. Consequently, the SEC's decision to require IFRS from U.S. registrants will require the NAIC to assess whether IFRS can serve as the same reference point for statutory accounting principles as U.S. GAAP. We believe that the successful completion and issuance of an insurance contracts standard by the IASB and FASB will be critical to the NAIC's decision as to whether IFRS could serve as a base for developing U.S. statutory accounting principles or to adopt IFRS as an accounting basis for regulatory purposes. It is important for state regulators to adopt IFRS as a reference point for statutory accounting principles or its regulatory basis in order to avoid multiple reconciliations which would be burdensome to the preparer and confusing to financial statement users.

Conclusion

We appreciate the opportunity to submit our comments on this important undertaking and would be pleased to discuss our views should you have any questions regarding the contents of this letter.

Very Truly Yours,

Sandra J. Peters

Sandra J. Peters
Vice President & Corporate Controller

cc: Chairman Mary L. Schapiro
Commissioner Luis A. Aguilar
Commissioner Kathleen A. Casey
Commissioner Troy A. Paredes
Commissioner Elise B. Walter
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