25 September 2007

Ms. Nancy M. Morris
Secretary,
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC
20549-1090

Re: File Number S7-13-07:

Comments on SEC Proposed Rule on Accepting Foreign Private Issuers Financial Statements Prepared in Accordance with IFRS Without Reconciliation To U.S. GAAP

Dear Ms Morris,

Fitch Ratings (Fitch) welcomes recognition by the US Securities and Exchange Commission ("SEC" or "the Commission") that the investor market is increasingly becoming a global rather than a national one. Investment decisions at national level have tended to be based on what is familiar at national level. As investment moves beyond national boundaries, a wise investor would become familiar with the nuances of the new markets it is looking at, including accounting practices. The work of investors in doing this is being made easier by the progress being made towards globally converged accounting standards. In our view elimination of the requirement for foreign private issuers to reconcile International Financial Reporting Standards ("IFRSs") financial statements as published by the International Accounting Standards Board (''IASB'') to generally accepted accounting principles in the United States ("US GAAP") would be a positive step in continuing the momentum for global convergence. In taking that step the SEC will need to identify the extent to which the reconciliation is used and relied upon by investors and the potential impact withdrawal would have. As discussed below, Fitch does not pay very much attention to US GAAP reconciliations in 20-F reports and does not consider that their elimination would have a substantial impact on our ability to conduct analysis.

As a global credit ratings agency, Fitch analyzes companies at local level around the world. Analysis is based primarily on standards adopted locally by the rated companies, and adjustments are made from financial reporting to derive metrics used in comparative analysis. These adjustments are made whichever accounting basis is used. While US GAAP reconciliation is something analysts may look at as an additional piece of information to help get insight into some of the more complex accounting areas that may need to be addressed, our analysis is not dependent on these and we look at many IFRS reporters that are not US listed and therefore have no reconciliations, comparing these to US companies where applicable. It is our understanding that the large international investment houses, securities firms and banks operate in a similar way. Although Fitch does not make any recommendations to buy or sell securities, it is our understanding that the fixed income and equity analysts from the large institutions that do mostly base their financial analysis on local accounting, with the US GAAP reconciliation playing a minimal role. For US investors basing decisions on recommendations from large global firms, therefore, the cost of preparing US GAAP reconciliations is probably one the market could spare. This is particularly the case now that the IFRSs/US GAAP convergence process is well underway.

We address your questions below:

1. ***Do investors, issuers and other commenters agree that IFRS are widely used and have been issued through a robust process by a stand-alone standard setter, resulting in high-quality accounting standards?***
We agree that this is the current situation and emphasize that IFRSs are being adopted by more companies every year. Although it is important to bear in mind that IFRS have not been the basis of accounting for most IFRSs companies for very long, Fitch does not consider this to be especially relevant given that both FASB's and IASB's standards are undergoing substantial changes.

2. ***Should convergence between U.S. GAAP and IFRS as published by the IASB be a consideration in our acceptance in foreign private issuer filings of financial statements prepared in accordance with IFRS as published by the IASB without a U.S. GAAP reconciliation? If so, has such convergence been adequate? What are commenters' views on the processes of the IASB and the FASB for convergence? Are investors and other***

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market participants comfortable with the convergence to date, and the ongoing process for convergence? How will this global process, and, particularly, the work of the IASB and FASB, be impacted, if at all, if we accept financial statements prepared in accordance with IFRS as published by the IASB without a U.S. GAAP reconciliation? Should our amended rules contemplate that the IASB and the FASB may in the future publish substantially different final accounting standards, principles or approaches in certain areas?

We do not think that the SEC would be considering accepting IFRSs without reconciliation to US GAAP if the process of converging standards were not already well underway. It will be difficult to pinpoint a time when convergence can be described as "adequate". It is very important for us that the convergence process does not lose momentum, and acceptance by the SEC of IFRSs without reconciliation will keep that momentum going. SEC staff familiar with US GAAP will question IFRS reporting when it diverges from US GAAP and this will help to ensure that differences are identified and dealt with.

The convergence process is resulting in changes to US GAAP as well as to IFRSs, and in general seems from our perspective to be resulting in more helpful accounting in both – particularly in terms of better disclosure and attempts to bring more consistency between accounting treatments for different things (or the same thing by different industries).

It is our view that were the SEC to eliminate the reconciliation requirement only for companies that filed financial statements in IFRSs as published by the IASB, it would encourage national and regional regulators to endorse full IFRSs rather than a selected part of IFRSs. We are already seeing national versions of IFRSs being adopted, with "carve outs" of standards or parts of standards, which could defeat the purpose of working towards global accounting standards. Delaying the elimination may serve to reinforce some of these "carve outs" into national accounting systems in a way that will be difficult to reverse in the future.

It is our understanding that the standard setters are working hard to converge principles and approaches in all of the main areas. We do not see publication of substantially different final accounting standards, principles or approaches as part of the current plan. However, if this transpires in certain areas, one approach the SEC might want to take is to reintroduce a reconciliation requirement in those areas.

3. ***Is there sufficient comparability among companies using IFRS as published by the IASB to allow investors and others to use and understand the financial statements of foreign private issuers prepared in accordance with IFRS as published by the IASB without a U.S. GAAP reconciliation?***

Most IFRS reporters and most of those filing financial statements in the US have only two years of IFRS reporting behind them - and those have been at a time when accounting is in a state of flux. It is, therefore, too soon for us to tell whether they are properly comparable. However, the US GAAP reconciliation is rarely referred to as means to achieve comparability between two companies reporting under IFRSs.

4. ***Do you agree that the information-sharing infrastructure being built in which the Commission participates through both multilateral and bilateral platforms will lead to an improved ability to identify and address inconsistent and inaccurate applications of IFRS? Why or why not?***

It will be very difficult to establish consistent accounting across a large number of countries, each with its own regulation and means of implementing accounting practices. Local regulators will play an important role in this and sharing of information on the IOSCO database will support the process. However, for global accounting to develop effectively, it will be important to have a transparent means of exchanging information and opinions that includes the other primary players in the implementation process, including accounting firms and industry groups. Making IOSCO's database open to all would be a helpful step in this direction.

5. ***What are commenters' views on the faithful application and consistent application of IFRS by foreign companies that are registered under the Exchange Act and those that are not so registered?***

We have not noticed any real difference to date in the application of IFRSs between those companies filing with the SEC and those that do not. We note, however, that companies filing with the SEC are subject to questioning on their application of IFRSs, while those that are not are generally not questioned beyond the normal audit process. We understand that this is likely to result in achieving more consistent application of IFRSs more quickly by SEC filers, but we do not believe that an additional layer of rules will necessarily result in a more faithful representation of the financial position. IFRSs are principles-based, and best practice application will develop over time as industriy groups, auditors and regulators determine. In the meantime, application by different companies will result in financial

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statements that are inconsistent among companies in the same industry. Analysts and investors should be able to recognize this and make allowances if disclosure is sufficient.

6. ***Should the timing of our acceptance of IFRS as published by the IASB without a U.S. GAAP reconciliation depend upon foreign issuers, audit firms and other constituencies having more experience with preparing IFRS financial statements?***

We draw a parallel between the question of when the best time will be for the SEC to eliminate the reconciliation requirement and the questions asked of the European Commission following its decision in 2002 that listed companies in the European Union ("EU") would need to switch from local GAAP to IFRSs in 2005. There were protests at that time from European companies and accounting firms that they would not be ready to do this by 2005 because the education and experience were not there. However, IFRSs were implemented successfully for these companies. There will never be a "right time" to implement a landmark change, but once a time is fixed those who need to will work towards being as prepared as possible. In the case of introducing IFRSs as the common standards for EU companies, the educational process only really gained momentum shortly before the deadline, and it is likely that delaying the requirement for a further three to five years would have meant that most waited a further three to five years before they started to prepare.

There is a real danger that if the SEC delays the date for accepting IFRSs without reconciliation, local regulators will have less incentive to implement full IFRSs and local versions of IFRSs will start to become entrenched around the world. There is already some nervousness in the EU about whether IFRS 8 on operating segments and upcoming changes to IFRS 3 on Business Combinations will be endorsed and approved by the European Parliament. Should the SEC delay its elimination of the reconciliation requirement, there will be less incentive for the European Parliament to endorse new IFRSs published by the IASB quickly.

7. ***Should the timing of any adoption of these proposed rules be affected by the number of foreign companies registered under the Exchange Act that use IFRS?***

We see this as a cost/benefit decision for the SEC.

C. The IASB as Standard Setter

8. ***The IASB Framework establishes channels for the communication of regulators' and others' views in the IFRS standard-setting and interpretive processes. How should the Commission and its staff further support the IFRS standard-setting and interpretive processes?***

The SEC should use the channels for communication made available by the IASB. Through its letters to foreign private issuers, the SEC has already established itself as the main public interpreter of IFRSs after the International Financial Reporting Interpretations Committee ("IFRIC"), the official interpreter, and the large accounting firms. There is a risk that the SEC might set up a sub-framework of interpretation which establishes rules over and above IASB's standards. Where it is thought that interpretation is required to "firm up" accounting for the US investor, the SEC may determine that it needs to write some rules. However, this may obstruct the freedom of companies to develop best accounting practice, and may result in the complexity of accounting the standard setters are trying to avoid. The IASB aims to develop IFRSs as principles-based standards, while allowing preparers to develop and establish a consistent industry best practice.

9. ***How should the Commission consider the implication of its role with regard to the IASB, which is different and less direct than our oversight role with the FASB?***

The IASB's standards are used throughout the world, while FASB's are primarily adopted by companies based in the United States. It is important for the development of good, neutral accounting standards to have standard-setting bodies that are as independent from influence as possible. By participating in the standard-setting and interpretative process alongside other regulators rather than as a dominant force in the process, the SEC will give the IASB the controlled flexibility it needs to develop robust standards, while allowing interpretation of global standards to develop in a way that best suits local markets.

It is important to remember that the authority the SEC has developed over interpreting accounting standards in the US is unusual. In the rest of the world the main point of reference is the large accounting firms. Should the SEC prove to be too dominant a force in the way IFRSs are applied and interpreted around the world, there is a risk that this will be perceived outside the United States as introducing US GAAP "through the back door", which would be an impediment to achieving acceptance of IFRSs as issued by the IASB at local level.

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D. Summary

10. We are interested in receiving information from a broader audience.

a. Is the development of a single set of high-quality globally accepted standards important to investors?

Yes. Fitch values the combined efforts of the IASB and FASB to work towards the goal of developing standards that are useful to investors – and from our perspective credit investors should be considered as much as equity investors in this process.

b. To what degree are investors and other market participants able to understand and use financial statements prepared in accordance with IFRS as published by the IASB without a U.S. GAAP reconciliation?

We consider our ability to understand IFRS financial statements as "work-in-progress". The same can be said for understanding the evolving nuances of US GAAP. Both standards are in a process of substantial change, and it would be helpful to analysts at Fitch and the investment community if these changes continued to be made in a way that is working towards a consistent end.

In the vast majority of cases when IFRS financial statements are being analyzed, the U.S. GAAP reconciliation when available adds very little value. The main items included in the reconciliation are adjusted by analysts in both IFRSs and US GAAP. While the reconciliation can provide information that is helpful to us in making our adjustments, we think the same goal can be achieved by requiring robust and transparent disclosures in areas such as business combinations where the accounting can be complex and currently differs between the two sets of standards.

c. We also encourage commenters to discuss ways in which the Commission may be able to assist investors and other market participants in improving their ability to understand and use financial statements prepared in accordance with IFRS.

We think training courses provided or sponsored by the SEC on the more complex accounting aspects would be of assistance to investors looking at IFRS as well as US GAAP financial statements. Frequently updated summary and more detailed papers on the SEC's website of the main differences that can arise from the two sets of standards would also be helpful. Where SEC staff note that IFRS disclosure requirements lag those of US GAAP, it would be helpful to bring these to the attention of the IASB as well as proposing to companies directly that they provide more comprehensive disclosure.

d. How familiar are investors with financial statements prepared in accordance with IFRS as published by the IASB?

International investors have been forced to become familiar with these very quickly. IFRSs provides the opportunity for US investors to become familiar with a set of non-GAAP standards that are widely applied, rather than having to go through accounting nuances jurisdiction by jurisdiction. If the SEC eliminates the reconciliation requirement, it will encourage US investors to become familiar with IFRSs more quickly, rather than rely on a reconciliation that may not tell them very much.

e. Will the ability of an investor to understand and use financial statements that comply with IFRS as published by the IASB vary with the size and nature of the investor, the value of the investment, the market capitalization of the issuer, the industry to which the issuer in question belongs, the trading volume of its securities, the foreign markets on which those securities are traded and the regulation to which they may be subjected, or any other factors? If so, should any removal of the reconciliation requirement be sensitive to one or more of these matters, and, if so, how?

The ability of an investor to understand financial statements will depend on the investor's level of expertise, and investors would be wise to - and generally tend to - develop expertise in the areas they are interested in investing into. This does not seem to us to be relevant to the decision to remove the reconciliation requirement for any company.

III. DISCUSSION OF THE PROPOSED AMENDMENTS TO ALLOW THE USE OF IFRS FINANCIAL STATEMENTS WITHOUT RECONCILIATION TO U.S. GAAP

A. Eligibility Requirements

11. Without a reconciliation, will investors be able to understand and use financial statements prepared using IFRS as published by the IASB in their evaluation of the financial condition and performance of a foreign private issuer? How useful is the reconciliation to U.S. GAAP from IFRS as published by the IASB as a basis of comparison between companies using different bases of accounting? Is there an alternative way to elicit important information without a reconciliation?

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We regard the reconciliation as providing additional information, which in some cases can be helpful in comparing one company with another but in many cases is not. Fitch makes adjustments to both IFRS and US GAAP in its analysis and values good (rather than "boiler-plate") narrative descriptions in this process.

12. ***In addition to reconciling certain specific financial statement line items, issuers presenting an Item 18 reconciliation provide additional information in accordance with U.S. GAAP. What uses do investors and other market participants make of these additional disclosures?***

The reconciliation can be helpful if this provides narrative or quantitative disclosure that is not available in the IFRS financial statements.

13. ***Should we put any limitations on the eligibility of a foreign private issuer that uses IFRS as published by the IASB to file financial statements without a U.S. GAAP reconciliation? If so, what type of limitations? For example, should the option of allowing IFRS financial statements without reconciliation be phased in? If so, what should be the criteria for the phase-in? Should only foreign private issuers that are well-known seasoned issuers, or large accelerated filers, or accelerated filers,[74] and that file IFRS financial statements be permitted to omit the U.S. GAAP reconciliation?***

Once a company starts to produce IFRS accounts, these should be of a similar standard to those prepared by "seasoned" IFRS preparers, and it is the auditor's responsibility to ensure this is the case. We do not, therefore, think it would make sense to put these types of limits in place. However, we agree that for companies in businesses where the SEC considers that IFRSs need further development and US GAAP achieves robust accounting, the reconciliation should remain until IFRSs improve in these industries.

14. ***Should the filing deadline for annual reports on Form 20-F be accelerated to five, four or three months, or another date, after the end of the financial year? Should the deadline for Form 20-F be the same as the deadline for an issuer's annual report in its home market? Should we adopt the same deadlines as for annual reports on Form 10-K? Why or why not? Would the appropriateness of a shorter deadline for a Form 20-F annual report depend on whether U.S. GAAP information is included? If a shorter deadline is appropriate for foreign private issuers that would not provide a U.S. GAAP reconciliation under the proposed amendments, should other foreign private issuers also have a shorter deadline? Should it depend on the public float of the issuer?***

We agree with comments made at the Roundtable discussions that shorter deadlines for filing 20-Fs would make these more useful to investors. We think that if the reconciliation to US GAAP requirement is abolished, it makes sense to reduce the number of days after the year end permitted prior to filing to be shortened to something similar to the deadline for US filers. Although we appreciate that in many cases financial statements will need to be translated into English from the local language of the filer, we consider that a 90-day deadline would be appropriate for 20-F filers that are not required to reconcile.

15. ***Although reconciliation to U.S. GAAP of interim periods is not ordinarily required under the Exchange Act, foreign private issuers that conduct continuous offerings on a shelf registration statement under the Securities Act may face black-out periods that prevent them from accessing the U.S. public capital market at various times during the year if their interim financial information is not reconciled. Even if commenters believe we should continue the U.S. GAAP reconciliation requirement for annual reports that include IFRS financial statements, to address this issue should we at least eliminate the need for the U.S. GAAP reconciliation requirement with respect to required interim period financial statements prepared using IFRS as published by the IASB for use in continuous offerings?[75] Should we extend this approach to all required interim financial statements?***

We agree that interim financial statements for IFRS filers should be exempt from the reconciliation requirement even if the SEC decides not to eliminate this for annual financial statements. Furthermore, we think it would be worthwhile for the SEC to consider extending this approach to all interim financial statements.

In considering the usefulness of timely information, we encourage the SEC to also consider the possibility of requiring foreign private issuers to file interim accounts on the same basis as US filers both in terms of requiring quarterly statements and requiring the content of interim statements to be as comprehensive as it has to be for US-based filers' Form10-Qs.

16. ***Is there any reason why an issuer should not be able to unreservedly and explicitly state its compliance with IFRS as published by the IASB? Is there any reason why an audit firm should not be able to unreservedly and***

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explicitly opine that the financial statements comply with IFRS as published by the IASB? What factors may have resulted in issuers and, in particular, auditors refraining from expressing compliance with IFRS as published by the IASB?

We are aware that in some countries local regulations prevent companies filing full IFRSs as published by the IASB, although this generally would not prevent them preparing full IFRS statements in addition for filing in the United States, if reconciliation were no longer required. Alternatively they would have to file IFRS statements as adopted locally and reconcile to US GAAP.

17. ***If the proposed amendments are adopted, should eligible issuers be able to file financial statements prepared using IFRS as published by the IASB without a U.S. GAAP reconciliation for their first filing containing audited annual financial statements? If the amendments are adopted, what factors should we consider in deciding when issuers can use them? For example, should we consider factors such as the issuer's public float (either in the United States or world wide), whether the issuer has issued only public debt, or the nature of the filing to which the amendments would be applied? Will investors be prepared to analyze and interpret IFRS financial statements without the reconciliation by 2009? If not, what further steps, including investor education, may be necessary?***

Although a one-time reconciliation of IFRS to US GAAP for the first financial statements filed in the US could be of some benefit to users, we think that in the vast majority of cases the additional information this will provide to investors will be small in relation to the vast cost a company that does not report in US GAAP would need to undergo to support a US GAAP reconciliation.

B. U.S. GAAP Reconciliation

We have no comment on questions 18-20, which we consider technical questions for preparers.

2. Interim Period Financial Statements

21. ***Would issuers have any difficulty in preparing interim period financial statements that are in accordance with IFRS as published by the IASB?***
22. ***Do foreign private issuers that have changed to IFRS generally prepare interim financial statements that are in accordance with IFRS, and do they make express statements to that effect?***
23. ***How significant are the differences between IAS 34 and Article 10? Is the information required by IAS 34 adequate for investors? If not, what would be the best approach to bridge any discrepancy between IAS 34 and Article 10? Should issuers be required to comply with Article 10 if their interim period financial statements comply with IAS 34? Should we consider any revision to existing rules as they apply to an issuer that would not be required to provide a U.S. GAAP reconciliation under the proposed rules?***

In response to questions 21-23, it is our understanding that IFRS 34 does not require preparation of interim financial statements, but instead lays out minimum requirements for those that do. In general the requirements for interim statements are left to national regulators. In this context we think that IAS 34 should be compatible with Article 10. It would benefit investors if the SEC set requirements for foreign private issuers' interim statements that were in line with the requirements for US private issuers. We think the provisions of IAS 34 accommodate this.

3. IFRS Treatment of Certain Areas

24. ***Are there accounting subject matter areas that should be addressed by the IASB before we should accept IFRS financial statements without a U.S. GAAP reconciliation?***
25. ***Can investors understand and use financial statements prepared using IFRS as published by the IASB in those specific areas or other areas that IFRS does not address? If IFRS do not require comparability between companies in these areas, how should we address those areas, if at all? Would it be appropriate for the Commission to require other disclosures in these areas not inconsistent with IFRS published by the IASB?***

We note that IFRS 4 Insurance Contracts is currently a "work-in-progress" and that IFRSs will need to introduce more clarity for issuers in the oil and gas sectors. US GAAP reconciliations for companies in the insurance and oil and gas sectors, therefore, provide the benefit of bringing more comparable information for companies than would otherwise be the case.

It would be helpful for the SEC to continue to require reconciliation for insurance companies reporting in IFRSs until IFRS 4 is revised to bring accounting for insurance contracts between companies into line. We note, however, that IFRSs are likely to overtake US GAAP in terms of consistency of financial reporting for insurance companies and do not think that the lack of convergence of the standards should delay the SEC in eliminating the requirement to reconcile to US GAAP once revised IFRS 4 is robust as a standard for consistent reporting of insurance contracts.

Likewise, reconciliation to US GAAP for IFRS reporters in the oil and gas sectors should continue to be required until IFRSs become more robust for those sectors.

C. Accounting and Disclosure Issues

1. Selected Financial Data

26. Should issuers that are permitted to omit a U.S. GAAP reconciliation for their current financial year or current interim period be required to disclose in their selected financial data previously published information based on the U.S. GAAP reconciliation with respect to previous financial years or interim periods?

Once an issuer has prepared the reconciliation, the work involved in continuing to publish this information should be minimal. We think it would be helpful to continue to have this published.

2. Other Form 20-F Disclosure

27. With regard to references to U.S. GAAP in non-financial statement disclosure requirements, should we amend the references to U.S. GAAP pronouncements that are made in Form 20-F to also reference appropriate IFRS guidance, and, if so, what should the references refer to? Would issuers be able to apply the proposed broad approach to U.S. GAAP pronouncements and would this approach elicit appropriate information for investors? Should we retain the U.S. GAAP references for definitional purposes?

28. Should foreign private issuers that prepare financial statements in accordance with IFRS as published by the IASB be required to continue to comply with the disclosure requirements of FAS 69? What alternatives may be available to elicit the same or substantially the same disclosure?

29. Should the Commission address the implications of forward-looking disclosure contained in a footnote to the financial statements in accordance with IFRS 7? For example, would some kind of safe harbor provision or other relief or statement be appropriate?

We consider questions 27 and 29 to be technical questions for preparers rather than questions for users, so have no comments on these. In response to question 28, as discussed above, we think that FAS 69 provides useful information that IFRSs do not yet require, and so we find the reconciliation for oil and gas companies more helpful than it is for companies in other industries.

3. Other Considerations Relating to IFRS and U.S. GAAP Guidance

30. Are there issues on which further guidance for IFRS users that do not reconcile to U.S. GAAP would be necessary and appropriate? Should issuers and auditors consider guidance related to materiality and quantification of financial misstatements?

We agree with the conclusion reached in section C3 of the paper that reference to US GAAP guidance may be helpful but need not be a requirement in applying IAS 8.

4. First Time Adopters of IFRS

31. If a first-time IFRS adopter provides, in a registration statement filed during the year in which it changes to IFRS, three years of annual financial statements under a Previous GAAP and two years of interim financial statements prepared under IFRS as published by the IASB, should we continue to require that the interim financial statements be reconciled to U.S. GAAP?

Yes. If the reconciliation is not required, it will be difficult to tell how the trend has continued into the current period without this reconciliation.

32. Would a U.S. GAAP reconciliation be a useful bridge from Previous GAAP financial statements to annual financial statements prepared under IFRS as published by the IASB that are not reconciled to U.S. GAAP?

This would effectively mean introducing a third GAAP to reconcile two others, which would not make sense to us. It would make more sense to require that the statements prepared under previous GAAP were reconciled to current IFRSs, if possible. While IFRSs and US GAAP statements are becoming increasingly similar, they are not yet the same and probably never will be.

We have no comments on questions 33-43.

IV. GENERAL REQUEST FOR COMMENTS

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44. If progress does not continue towards implementing a single set of high quality globally accepted accounting standards, will investors and issuers be served by the absence of a U.S. GAAP reconciliation for financial statements prepared using IFRS as published by the IASB?

We think that progress will continue towards implementing a single set of high quality globally accepted accounting standards and that this in the best interests of investors everywhere. There is an expectation outside the United States that the SEC will recognize this and eliminate the requirement to reconcile to US GAAP for IFRS reporters. However, should the SEC decide to continue to require reconciliation, this will be taken as a sign that the US investor community has not yet recognized the progress made towards achieving robust global accounting standards in the rest of the world and may slow down the pace of progress that can be achieved in the future.

45. Where will the incentives for continued convergence lie for standard setters, issuers, investors and other users of financial statements if the reconciliation to U.S. GAAP is eliminated for issuers whose financial statements are prepared using IFRS as published by the IASB?

An increasing number of investors now invest beyond their domestic borders. Most IFRS issuers are not listed in the US and non-US investors also invest in US GAAP issuers. Therefore, the incentive for convergence will remain as long as investors can see that progress is being made towards the end goal of having fully converged standards around the world.

46. Are there additional interim measures, beyond the proposed elimination of the U.S. GAAP reconciliation from IFRS financial statements that would advance the adoption of a single set of high-quality globally accepted accounting standards? If so, what are they? Who should undertake them?

Standard setters, particularly the IASB and the FASB, are the main decisive entities in developing global standards. Preparers, auditors and users all have a part to play in continuing to drive the momentum forward, as well as the SEC and other regulators. Elimination of the requirement to reconcile IFRSs as published by the IASB to US GAAP would be a strong, positive sign that the convergence process is well underway and moving forward, which we think will continue to drive the rapid pace of convergence. We think that the road to convergence will continue without this but possibly at a slower pace.

We hope you find our comments helpful and would be happy to answer any questions you may have on them.

Yours sincerely,

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