



Sam Ooka
September 22, 2007

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Dear Nancy M. Morris:

I am humbled, and appreciate this opportunity that I have, to comment on the Securities and Exchange Commission (SEC) Proposed Rule detailed as “Acceptance From Foreign Private Issuers [(FPI)] of Financial Statements Prepared in Accordance With International Financial Reporting Standards [(IFRS)] Without Reconciliation to U.S. GAAP[(United States Generally Accepted Accounting Principles)]” (File No. S7-13-07; Release No. 33-8818; Date Jul.2, 2007). This proposed rule will have been open for comments for a little over two and a half months and will be closing very soon this month. There are pros and cons to the acceptance of this proposal. Nevertheless, support for this proposal is feasible.

The purpose of this proposal is to make an exception for FPIs that already use IFRS and to accept International Financial Reporting Standards in the U.S. for them. It proposes that Foreign Private Issuers may be allowed to report financial statements in the United States according to the English language version of IFRS as published by the International Accounting Standards Board (IASB). For example, a German Aktiengesellschaft (German equivalent of a corporation) that is listed in the United States of America that has adopted IFRS as published by the IASB as its accounting standards will be able to submit its financial statements to the SEC without a reconciliation to U.S. GAAP. Release number 33-8818 would imply that International Financial Reporting Standards and/or U.S. Generally Accepted Accounting Principles is/are sufficiently reliable.

Let’s look at the positives of the acceptance of this proposal. If this proposal is accepted, those FPIs that are listed in the U.S. already and who’s home financial reporting standards are IFRS will benefit by not having to do a reconciliation to U.S. GAAP, thus, saving on reconciliation costs. Accepting this proposal will also create an incentive for other potential FPIs that are currently reporting according to IFRS and are not currently listed in the U.S. to get listed in the U.S. because of the convenience of the acceptance of similar accounting and reporting standards. Another thing is that the movement toward accounting harmonization continues to progress. Accounting harmonization exists when accounting standards and practices internationally have limited alternatives while still having some flexibility. This will be great for the users of accounting information. The more IFRS is accepted the more the accounting standards become familiar and harmonized internationally. Another good thing is that IFRS theoretically portrays a representative picture of the entities activity because the IFRS leans a lot more on current values rather than historical values than the U.S. GAAP does. This is because U.S. GAAP uses the cost model for real property, whereas, IFRS uses the revaluation model for such.

Let’s now take a look at the negatives of the acceptance of File number S7-13-07. If this proposal is accepted, the U.S. domestic entities will be at a disadvantage. This is because this proposal does not directly apply to these U.S. entities listed in the U.S. The domestic companies will still need to report

financial statements accordance to U.S. GAAP and will not have the option to report its statements in accordance to IFRS. Therefore, the domestic U.S. entities will be using and reporting more historical values rather than current values. An example of this is when under IFRS revaluation is allowed, whereas, under U.S. GAAP revaluation up over the purchase price of property is not allowed. The reconciliation costs will still be evident if this proposal is not accepted. A substantial variation can still be accomplished due to unmentioned or limited guidance on topics within IFRS. In these cases, IFRS will allow the home GAAP rules to be used. An example of this is that of insurance contracts.

I think that this is an important proposal. It will benefit the countries at large by assisting in maintaining common accounting standards and possibly influencing accounting practices to become more similar globally. There are both positive and negative effects of the acceptance of this proposal to accept IFRS financial statements from foreign private issuers in a U.S. GAAP country without reconciliation to U.S. GAAP. It seems that it is not fair to the domestic U.S. entities that do not have the option to report its financial statements in accordance to IFRS without reconciliation to U.S. GAAP. These domestic U.S. entities must still report its statements in accordance to U.S. GAAP. IFRS is a more flexible set of reporting standards than U.S. GAAP. However, accepting this proposal may be an interesting beta to observe how IFRS acceptance in the U.S. will have an effect on the U.S. activities. Therefore, though I am split in my views of whether or not to accept or not to accept this proposal, I am in your support in acceptance of permitting the foreign private issuers to report their financial statements according to the English language version of IFRS as published by the IASB without reconciliations to U.S. GAAP.

Thank you for reading my feedback on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Ooka". The signature is written in a cursive style with a prominent loop at the end.

Sam Ooka