NOKIA

September 24, 2007

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-9303

Re: Comments on Proposed Acceptance from Foreign Private Issuers of Financial Statements Prepared in accordance with International Financial Reporting Standards without Reconciliation to U.S. GAAP File No. S7-13-07

Dear Ms. Morris,

We are submitting this letter in response to the request of the Securities and Exchange Commission (the "Commission") for comments on the Commission's proposal to accept from foreign private issuers financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") without reconciliation to generally accepted accounting principles as used in the United States ("U.S. GAAP").

1. U.S. GAAP reconciliation requirement should be eliminated because IFRS constitutes a high-quality global financial reporting structure

We strongly support the Commission's proposal to accept IFRS financial statements from foreign private issuers without reconciliation to U.S. GAAP and we are eagerly awaiting this rule to become effective in 2009 (for 2008 calendar year annual reports). We believe this would give a very positive signal to the market and would represent an important milestone in the global accounting convergence process.

If the Commission were to adopt a practical rule on the said timetable, we believe that it would substantially improve the perception by foreign companies of the U.S. market, and it could encourage them to offer their shares or list in the United States, and to maintain their existing listings.

The proposed rule is also a significant step towards a single set of high quality global financial reporting standards. This increasing convergence of accounting standards which is an extremely important issue in particular for the issuers such as Nokia with global operations and broad international investor base. The convergence improves the comparability of financial statements for investors, makes cross-border transactions easier to implement, facilitates access to U.S. capital market and substantially reduces costs.

We further believe that IFRS today meets the Commission's long-standing test for the elimination of the reconciliation requirement. The quality of IFRS financial statements is also reflected by their wide acceptance by the global investment community, which has led investors to be effectively indifferent to the substance of the U.S. GAAP reconciliation provided by the issuers that are listed in the United States. Nokia, for example, very infrequently receives any questions from investors relating to the U.S. GAAP reconciliation in its annual report on Form 20-F.

2. The proposed amendment should apply to issuers that use widely used high-quality jurisdictional variant of IFRS

The Commission's proposal would only eliminate U.S. GAAP reconciliation for companies that publish financial statements in accordance with IFRS as published by the IASB. For example, in order for a European company to publish a single set of financial statements worldwide, those financial statements would have to comply with IFRS both (i) as adopted by the EU to meet home country legal requirements and (ii) as published by the IASB to meet the requirements of the new rule.

Should the proposed amendment apply only to companies that prepare their financial statements in accordance with IFRS as published by the IASB, the companies that are legally required to publish financial statements in accordance with IFRS as adopted by their own regulator will have the burden of determining, as of each financial statement date, whether there is any material difference between their legally required standard and IFRS as published by the IASB.

If material differences were to arise between IFRS as published by the IASB and IFRS as adopted by the EU, the Commission's current proposal would effectively require the companies to publish two sets of financial statements. Such differences are likely to result mainly from timing differences to reflect the period between adoption of a standard by the IASB and its approval by the European Commission or other applicable regulatory bodies. Companies that publish financial statements as of a date between the adoption of an IASB standard and its endorsement by the European Union or other local adoption process might find themselves in an unbearable situation even where there is no substantive issue. In addition to the incremental work for the companies, we believe that the investors would likely be confused by two potentially different set of financial statements of which one is used solely in the 20-F and another in other investor communications of the issuers.

Therefore, we strongly recommend that the Commission will eliminate the U.S. GAAP reconciliation requirement for companies that publish their financial statements in accordance of widely used high-quality jurisdictional variants of IFRS, such as IFRS as adopted by the EU.

Finally, we note that some of the issues described above could be resolved or mitigated if the Commission were to accept financial statements prepared in accordance with certain high-quality jurisdictional variants of IFRS, with a reconciliation to IFRS as published by the IASB. While this would certainly be preferable to a U.S. GAAP reconciliation, we believe it would be significantly inferior to the acceptance of high-quality jurisdictional variants of IFRS, without any such reconciliation. We would not expect that investors would realize any significant benefit from the IFRS reconciliation. It would simply increase costs for companies by requiring us to understand and quantify the impact of those differences.

3. Conclusions

The Commission has stated that it believes that the benefits of moving towards a single set of globally accepted standards as a long-term objective, including increased transparency and comparability of financial statements, are attainable only if IFRS represents a single set of high-quality accounting standards and not a multiplicity of divergent standards using the same name.

We agree with the Commission that having a single, global IFRS standard should be the ultimate goal of regulators worldwide. However, we respectfully disagree with Commission on the requirement of preparing financial statements in accordance of IFRS as published by the IASB as an appropriate mean to achieve that goal at the present moment. We believe instead that a decision by the Commission to accept widely used high-quality jurisdictional variants of IFRS would increase the probability of this goal ultimately being met, because it would encourage foreign companies to maintain or add U.S. listings, and thus enhance the status of IFRS as a truly global accounting standard.

Ideally, at some time in the future, the regulatory oversight role will be exercised in a coordinated manner among national regulators and standard-setters, so that there would be only one endorsement or adoption process worldwide. Today, no such coordinated process exists. We believe that the proposed amendments should take into account this reality. We believe that the Commission can introduce more flexibility into the proposed amendments by accepting the widely used high-quality jurisdictional variants of IFRS, such as IFRS as adopted by the EU, while remaining faithful to the principle that IFRS should in the long-term be a single, global set of accounting principles.

For us as a European company, the crucial issue is to ensure proper coordination of the new rule with IFRS as adopted in the European Union. While European companies would prefer that there would be only one "IFRS" (and not an IASB version plus jurisdictional variants), we are still faced with the reality that we are legally bound to publish financial statements in accordance with IFRS as adopted by the EU.

It is in the great interest of Nokia and the other European issuers that the EU will intensify its efforts to converge its accounting standards around those published by the IASB and that in the future the EU would approve the IFRS as published by the IASB without its own separate endorsement process. While awaiting for that time to come, we believe that the Commission and its staff can take appropriate action as and when an issue of material difference between IFRS as adopted by the EU (or other jurisdictional variant) and IFRS as published by IASB arises, rather than imposing a burdensome requirement of a preparing a separate set of financial statements or detailed reconciliation that would automatically apply in all cases.

We highly appreciate the openness of the Commission in consulting with the stakeholders before taking any action. We are grateful for the opportunity to provide this response and look forward to the successful finalization and approval of the proposed rule.

Yours sincerely,

NOKIA CORPORATION

Anja Korhonen
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