



28 September 2007

Ms Nancy M Morris  
Secretary  
Securities & Exchange Commission  
100 F Street NE  
WASHINGTON DC 20549

Dear Ms Morris

**File S7-13-07**

The Group of 100 (G100) which is an organisation representing the interests of Chief Financial Officers and senior finance executives of Australia's major business enterprises is pleased to provide comments on the proposed rule.

We refer to File Number S7-13-07 on 'Acceptance from Foreign Private Issuers of Financial Statements Prepared in Accordance with International Financial Reporting Standards Without Reconciliation to US GAAP' ("the Proposal") issued by the SEC on 2 July, 2007.

A number of G100 constituents are foreign private issuers who have lodged both registration statements and annual reports on Form 20-F for many years. Whilst enjoying the benefits of participation in the US debt and equity markets, the costs of compliance with the US rules and regulations is significant for foreign private issuers. In addition to preparing a set of financial statements which are prepared in accordance with their 'home GAAP' and complying with the requirements of their regulator, they must also comply with lengthy and complex US requirements including the preparation of the Form 20-F. The most significant part of the work effort in preparing the Form 20-F is the preparation of the reconciliation from their home GAAP to US GAAP. This activity involves many hundreds of hours work in training, research, calculation, recording and drafting US GAAP disclosures in addition to the considerable cost of having the reconciliation and associated disclosures audited. As a result, the G100 welcomes this very important proposal by the SEC to provide an option for foreign registrants to no longer prepare reconciliation to US GAAP from IFRS as published by the IASB.

While the G100 broadly supports the SEC's initiative, we emphasise the following:

- The G100 believes that there is no valid reason for delaying the removal of the US GAAP reconciliation beyond the proposed 2009 time frame.

- The Commission should adopt a 'soft' regulatory approach in determining what constitutes IFRS in each jurisdiction. For example, in Australia, the Australian Accounting Standards Board (AASB) makes accounting standards as delegated legislation under the Corporations Act 2001. In making standards that apply to companies and other reporting entities the AASB uses IASB Standards as the "foundation" Standards to which it adds material detailing the scope and applicability of a Standard in the Australian environment. This involves "word for word" adoption of the substantive requirements of IASB Standards. We therefore believe that the Australian equivalents to IFRSs would comply with the SEC proposal.
- Much of the benefit of applying IFRSs without presenting a US GAAP reconciliation will be lost if interpretations of the applications of IFRSs by the SEC is driven by a mindset which is focused on seeking outcomes which would have been achieved by applying US GAAP in the first place. The IFRS Standards represent an attempt to develop a consistent international approach and interpretations should be made from that perspective. Requiring interpretations and practices which represent the views of a regulator in reinforcing its existing domestic practice will tend to erode the benefits and attractions of adopting IFRSs and the credibility of the IASB.

#### Specific Questions

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?*

**Yes. The G100 believes that the due process adopted by the IASB in developing IFRSs and Interpretations is robust and thorough and leads to the development of high-quality accounting standards. In Australia, IFRSs are applied. For example, financial reports prepared by entities under the financial reporting provisions of the Corporations Act must be drawn up in accordance with the Australian Accounting Standards, the substantive requirements of which are adopted word for word from IFRSs.**

2. *Should convergence between US 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 US 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 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 US GAAP reconciliation? Should our amended rules contemplate that the IASB and FASB may in the future publish substantially different final accounting standards, principles or approaches in certain areas?*

From an Australian perspective we are concerned that a literal and narrow interpretation of IFRS as published by the IASB may inhibit Australian registrants from benefiting from the proposals. We believe that the criteria should apply to the substantive content and drafting of the IFRSs adopted in different jurisdictions. As indicated above, under Australian legislative requirements and practice Accounting Standards are delegated legislation and, while changes are made to accommodate these requirements, such as the inclusion of additional material relating to the scope and applicability of the Standard, the substantive requirements, as issued by the IASB, are adopted.

The G100 considers that although the present convergence activities of the FASB and IASB are a significant step in the right direction the process should deal with issues more expeditiously.

The G100 believes that the SEC, in adopting the proposal, should indicate an expectation that such convergence should continue and that the FASB and IASB should seek to ensure that substantially different outcomes do not occur. This should be highly unlikely given a principles-based approach and agreement on a conceptual framework.

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 US GAAP reconciliation?*

**Yes. IFRS requires extensive disclosure of accounting policies which provide users with sufficient knowledge of the company's policies. We consider there is sufficient consistency in applying IFRSs to ensure comparability.**

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?*

**Yes. However, given the rigour applied to compliance with IFRSs from 1 January 2005 by both issuers and their auditors we do not believe there is widespread inaccurate or inconsistent application of IFRSs.**

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?*

**The application of IFRS is mandatory for all Australian companies. The Australian regulator, the Australian Securities and Investment Commission (ASIC), undertakes regular views of financial reports which ensure consistent and correct application of IFRS amongst all Australian companies, regardless of whether those companies are registered under the Exchange Act or not.**

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

**No. In respect of Australian companies who are registrants have substantial experience in applying IFRSs which were adopted for annual reporting periods beginning on or after 1 January 2005. Further, we believe that the international audit firms have robust processes and experience with the implementation of IFRSs.**

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?*

**No.**

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 support the IFRS standard-setting and interpretive processes?*

**Support could be provided through active participation in IASB processes and activities and acceptance of the outcomes of those processes.**

**The Commission and its staff should continue to be involved as part of the standard setting process both through the continuation of the convergence program, involvement in IASB forums and participation in the IASB's due process. We do not believe the Commission or any other securities regulator should be providing interpretive views where an issue has not been addressed by the IASB or IFRIC. This would result in the formation and application of 'regulator GAAP' which may not necessarily be consistent with the IFRS accounting framework and will only apply to the companies in that jurisdiction. We would prefer to see additional resources provided to the IFRIC to expedite the resolution of issues placed on its agenda.**

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?*

**See above.**

10. *The Commission has gathered certain information from representatives of issuers, investors, underwriters, exchanges and other market participants at its public roundtable on IFRS. We are interested in receiving information from a broader audience. Is the development of a single set of high-quality globally accepted standards important to investors? 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 the US GAAP reconciliation? 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 as published by the IASB?*

*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 maybe 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?*

**We are informed that investors are strong supporters of developing a set of high-quality international standards. We do not consider that the US GAAP reconciliation supports the information needs of international investors. Further, any requirement for a US GAAP reconciliation is inimical to the development of high-quality international standards and their acceptance in capital markets. We believe that this view is strongly exemplified by the fact that the majority of US 144A private placement debt programs no longer have a requirement to prepare a US GAAP reconciliation to the extent that the foreign issuer has audited IFRS financial statements.**

11. *Without 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 US GAAP from IFRS as published by the IASB as a basis of comparisons between companies using different bases of accounting? Is there an alternative way to elicit important information without reconciliation?*

**We believe that the continued requirement for a US GAAP reconciliation is an impediment to the broader acceptance of IASB standards as published by the IASB. Financial statements prepared on the basis of IFRS achieve comparability, and informed users will make their own judgments of what is appropriate for comparing companies applying IFRSs and those applying US GAAP or some other basis of accounting.**

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

**While the disclosures may be useful in providing background and context we do not believe that investors will be disadvantaged by their absence in this form.**

13. *Should we put any limitations on the eligibility of a foreign private issuer that use IFRS as published by the IASB to file financial statements without US 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, and that file IFRS financial statements be permitted to omit the US GAAP reconciliation?*

**The G100 believes that there should not be any limitations on the eligibility of a foreign private issuer that adopts the substantive requirements of IFRS to file financial statements without a US GAAP reconciliation.**

The G100 further believes that any change in policy of this nature should be introduced on a "once-for-all" basis and that phasing-in change will reduce comparability and is likely to create confusion and uncertainty for investors. Relief from the reconciliation requirement should be restricted to those registrants that are applying IFRSs as published by the IASB, subject to the procedural changes made to reflect national legislative changes.

14. *At the March 2007 Roundtable on IFRS, some investor representatives commented that IFRS financial statements would be more useful if issuers filed their Form 20-F annual reports earlier than the existing six-month deadline. We are considering shortening the deadline for annual reports on Form 20-F. Should the filing deadline for annual reports on Form F20 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? Why or why not? Would the appropriateness of a shorter deadline for a Form 20-F annual report depend on whether US GAAP information is included? If a shorter deadline is appropriate for foreign private issuers that would not provide US 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?*

**The G100 suggests that the filing of the 20F could be accelerated on the grounds that the financial statements are applying IFRSs and no further work will be required in respect of preparing US GAAP reconciliation. We suggest that, ideally, the filing deadline should be shortly after (for example, one month) the lodgment in the registrant's domestic market. This is presently 75 days in Australia. The additional content of the Form 20F above that required domestically can be considerable and additional time to complete that process should be taken into account when setting an appropriate filing deadline.**

15. *Although reconciliation to US 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 US 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 US GAAP reconciliation requirement for annual reports that include IFRS financial statements, to address this issue should we at least eliminate the need for the US GAAP reconciliation requirement with respect to required interim period financial statements prepared using IFRS as published by the IASB for use in continuous offerings? Should we extend this approach to all required interim financial statements?*

**We believe that once the US GAAP reconciliation is removed for annual financial statements it should also be removed for interim financial statements.**

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 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?*

This could occur where there are national legal requirements which take precedence over IFRSs as published by the IASB and impede compliance with an aspect of an IFRS. However, subject to national legal requirements (such as a statement of compliance in respect of, say, Australian Accounting Standards) there is no impediment to a registrant and its auditor making a similar statement in respect of compliance with IFRSs, where IFRSs as published by the IASB are adopted by the national standard setter. As noted above, the requirements of IFRS as published by the IASB may in practice be modified by national standard-setters relating to the scope and applicability of the IFRS standard in that jurisdiction. Therefore, in such situations, it may not be possible to unreservedly and explicitly state compliance with IFRS as published by the IASB. However, where the substantive requirements of the IFRS standard are adopted in that country as drafted by the IASB, we consider that the requirements of IFRS as published by the IASB should be taken as having been met.

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 US 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?*

**Yes.** We believe that investors should be given adequate notice to prepare for the change and that the removal of the reconciliation requirement for 2009 financial statements is feasible and desirable. Additionally, this date also coincides with the application of amendments to IFRSs arising from the IASB/FASB convergence process. Therefore, given IFRS is a robust and thorough accounting framework, we do not believe foreign private issuers who report under IFRS should be required to prepare a US GAAP reconciliation in their first filing.

18. *Do we need to make any other changes to Items 17 or 18 or elsewhere to implement fully the proposed elimination of the reconciliation requirement for issuers using IFRS as published by the IASB?*

**No.**

19. *Is any revision necessary to clarify that the provisions relating to issuers that use proportionate consolidation contained in Item 17(c)(2)(vii) would not apply to IFRS financial statements that are not reconciled to US GAAP under the proposed amendments? If so, what changes would be appropriate?*

**No.** It is likely that significant differences between IFRSs and US GAAP requirements will be removed by the IASB/FASB convergence process which will come into effect for annual reporting periods commencing on or after 1 January 2009.

20. *Is the IAS 21 accommodation still useful for non-IFRS issuers? Is it clear that an issuer using IFRS would not need to provide disclosure under Item 17(c)(2)(iv)? If not, what changes would be necessary to make it clear?*

**The information is likely to be useful for non-IFRS issuers.**

21. *Would issuers have any difficulty in preparing interim period financial statements that are in accordance with IFRS as published by the IASB?*

**No.**

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?*

**Australian national requirements have adopted IFRSs as published by the IASB. Half-yearly financial statements are required under the *Corporations Act 2001* which requires compliance with Australian Accounting Standards. The substantive requirements of Accounting Standard AASB 134 *Interim Financial Reporting* are as drafted in IAS 34 *Interim Financial Reporting*.**

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 US GAAP reconciliation under the proposed rules?*

**We consider that the information reported under AASB 134/IAS 34 is adequate for investors. IAS 34 requires more condensed information than Article 10. We believe the information provided by IAS 34 together with the continuous disclosure requirements on listed companies provides adequate information for all investors. We note that US investors have in the past only received interim financial information for foreign private issuers on the basis of the information required by IAS 34. Issuers should not be required to increase their interim financial disclosures to comply with Article 10 if they comply with IAS 34.**

24. *Are there accounting subject matter areas that should be addressed by the IASB before we should accept IFRS financial statements without US GAAP reconciliation?*

**No. We believe that the present IASB/FASB convergence project and delivery of improvements to the SEC's expectations as indicated in the "road map" will be adequate. Some may argue that there are matters dealt with in IASB standards with which the FASB should also seek to achieve consistency. For example, IAS 16 *Property, Plant and Equipment* contains requirements relating to the revaluation of property, plant and equipment.**

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?*

**In areas not specifically addressed by IFRS, we believe that the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, paragraphs 10 and 11, should apply rather than for the Commission to specifically address those areas or to require other disclosures. In essence, these paragraphs require that, in the absence of a Standard or Interpretation specifically applying to a transaction or other event, management must use its judgment in developing and applying an accounting policy that results in relevant and reliable information. In making this judgment, management considers the requirements and guidance in IFRS Standards and Interpretations dealing with similar and related issues as well as the guidance in the *Framework for the Preparation and Presentation of Financial Statements* and the requirements in a national jurisdiction which has a similar conceptual framework.**

26. *Should issuers that are permitted to omit US 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 US GAAP reconciliation with respect to previous financial years or interim periods?*

**No. If the US GAAP reconciliation is removed it is not appropriate to seek equivalent disclosures by other means. If some US GAAP selected financial information is continued to be disclosed, significant additional explanatory data would be required for this information to be meaningful. In addition, in future filings there will be a diminishing amount of US GAAP selected information disclosed which will very quickly render the information ineffectual. Consequently, we believe that if the US GAAP reconciliation is no longer required, all US GAAP selected information should be removed.**

27. *With regard to references to US GAAP in non-financial statement disclosure requirements, should we amend the references to US 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 US GAAP pronouncements and would this approach elicit appropriate information for investors? Should we retain the US GAAP references for definitional purposes?*

**Rather than refer to particular US GAAP references, the requirements should be expressed more generally to indicate the nature of the matters which should be addressed in such disclosures or should refer to appropriate IFRS guidance.**

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?*

**No.** We believe the primary information requirements of oil and gas producers are adequately met by the existing IFRS and exchange requirements. The additional requirements of FAS 69 are extensive and require significant additional work effort to prepare. However, it would be helpful if the current IASB project on extractive industries were given a much higher priority.

29. *Should the Commission address the implications of forward-looking disclosure contained in a footnote to the financial statements in accordance with IFRS7? For example, would some kind of safe harbor provision or other relief or statement be appropriate?*

**IFRS 7 Financial Instruments: Disclosures** requires quantitative and qualitative disclosures of the nature and extent of risks arising from financial instruments to which the reporting entity is exposed at the reporting date. In addition, IFRS requires an explanation of significant changes from the previous year, where applicable. The G100 considers that this relates to current or past matters, rather than the future. Therefore, the G100 is of the view that some kind of safe harbour provision or other relief or statement in relation to compliance with IFRS 7 is not needed.

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

**Refer to Question 25.**

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 US GAAP?*

**No.**

32. *Would a US 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 US GAAP?*

**Australian entities have already provided (in 2005) a reconciliation from previous GAAP to IFRS. We therefore see no point in requiring a US GAAP reconciliation as a bridge from previous GAAP to annual financial statements prepared under IFRS.**

33. *Should the Commission extend the duration of the accommodation contained in General Instruction G for a period longer or shorter than the proposed five years? Would seven years, ten years or an indefinite period be appropriate? If so, why?*

**By 2009, Australian entities would have been applying IFRS for 5 years. Therefore, the extension of the requirements of General Instruction G, which allow entities adopting IFRS for the first time to omit the earliest of the three years of financial statements, is not relevant to Australian entities.**

34. *Should any extension of the accommodation to first-time adopters be tied in any way to US GAAP reconciliation? If so, how?*

**Not applicable**

35. *Are the proposed changes to Rules 3-10 and 4-01 sufficient to avoid any ambiguity about our acceptance of IFRS financial statements without reconciliation? If not, what other revisions would be necessary?*

**Yes.**

36. *Are there other rules in Regulation S-X that should be specifically amended to permit the filing of financial statements prepared in accordance with IFRS as published by the IASB without reconciliation to US GAAP? If so, how would the application of those rules be unclear if there were no changes to those rules, and what changes would be suggested in order to make them clear?*

**No.**

37. *Is the application of the proposed rules to the preparation of financial statements provided under Rules 3-05, 3-09, 3-10 and 3-16 sufficiently clear? If not, what areas need to be clarified? Are any further changes needed for issuers that prepare their financial statements using IFRS as published by the IASB?*

**Yes. The proposed changes are clear and no further changes are needed.**

38. *Are the proposed changes in Forms F-4 and S-4, and in Rule 701, sufficient to avoid any ambiguity about our acceptance of IFRS financial statements without reconciliation? If not, how should we revise those forms or rule?*

**Yes.**

39. *Under Part F/S of Form 1-A relating to offerings conducted under Regulation A, Canadian issuers may use unaudited financial statements that are reconciled to US GAAP. Should we amend Form 1-A to permit the use by Canadian companies of financial statements prepared in accordance with IFRS as published by the IASB without a reconciliation? Does the fact that financial statements under Form 1-A are not required to be audited militate in favour of retaining a US GAAP reconciliation whenever a Canadian issuer uses a GAAP other than US GAAP?*

**No comment.**

40. *Are there other rules or forms under the Securities Act that should be specifically amended to permit the filing of financial statements prepared in accordance with IFRS as published by the IASB without reconciliation to US GAAP? If so, how would the rules or forms be unclear if there were no changes to those forms, and what changes would be suggested in order to make them clear?*

**Not to our knowledge.**

41. *Should Schedule TO and Schedule 13E-3 be specifically amended to permit the filing of financial statements prepared in accordance with IFRS as published by the IASB without a reconciliation to US GAAP? If so, how would the rules or forms be unclear if there were no changes to those Schedules, and what changes would be suggested in order to make them clear?*

**Yes.**

42. *Without the reconciliation to US GAAP, should we be concerned about the member firm requirements to have persons knowledgeable in accounting, auditing and independence standards generally accepted in the United States review IFRS financial statements filed with the Commission? Are there alternative ways in which concerns may be addressed?*

**The G100 believes that this will depend on the requirements in the registrant's home jurisdiction. For example, these concerns would be ameliorated if there is a high quality and robust regulatory regime in the relevant jurisdictions such as those which meet the criteria established by the PCAOB.**

43. *Should Form 40-F or F-10 be specifically amended to permit the filing of financial statements prepared in accordance with IFRS as published by the IASB without a reconciliation to US GAAP? If so, how would the forms be unclear if there were no changes to those forms, and what changes would be suggested in order to make them clear?*

**Yes.**

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 US GAAP reconciliation for financial statements prepared using IFRS as published by the IASB?*

**The G100 believes that the present IFRS requirements and the achievements of the IASB/FASB convergence project to date are sufficient to warrant removal of the US GAAP reconciliation in respect of registrants from jurisdictions that apply both the substantive requirements of IFRSs as published by the IASB and that satisfy the PCAOB criteria.**

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

**We expect that the incentives for continuing convergence will be strong and well founded and will be significantly influenced by the activities and expectations of the SEC and the conditions on which the US GAAP reconciliation is based. The IASB would also be under significant pressure from registrants who are benefiting from the not having to prepare a US GAAP reconciliation to avoid actions which would lead to the reinstatement of the requirement. A further incentive for the standard setters would be to foreshadow monitoring and regular review of the maintenance of a high quality set of international standards.**

46. *Are there additional interim measures, beyond the proposed elimination of the US 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?*

**It is incumbent on the part of all participants in the capital markets (preparers, investors and regulators) to maintain their vigilance and participation in the standard setting process to avoid reversion to parochial responses and national/regional solutions and interpretations.**

47. *Do you agree with our assessment of the costs and benefits as discussed in this section? Are there costs or benefits that we have not considered? Are you aware of data and/or estimation techniques for attempting to quantify these costs and/or benefits? If so, what are they and how might the information be obtained?*

**Yes.**

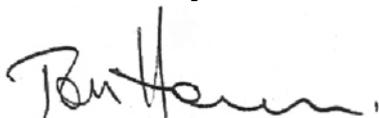
48. *Which foreign private issuers would have the incentive to avail themselves of the proposed amendments, if adopted? Are there any reasons for which an issuer that is eligible to file IFRS financial statements without reconciliation under the proposed amendments would elect to file reconciliation? If so, what are they?*

**We believe that Australian registrants would avail themselves of the relief from providing the US GAAP reconciliation unless the conditions attaching to it are onerous and unreasonable.**

49. *Are there particular industry sectors for which a critical mass of the issuers who raise capital globally already report in IFRS? If so, which industries are they and why?*

**No comment.**

Yours sincerely



**Tom Honan**  
National President