

# THE FINANCIAL SERVICES ROUNDTABLE



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*Impacting Policy. Impacting People.*

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## VIA EMAIL

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

### **RE: File Number S7-13-07 – Financial Reporting Standards**

Dear Ms. Morris:

The Financial Services Roundtable<sup>1</sup> (“Roundtable”) is submitting this letter *in support of* the Securities and Exchange Commission’s (“SEC”) proposed rule permitting foreign private issuers to prepare their financial statements in accordance with the International Financial Reporting Standards (“IFRS”) without reconciliation to accounting principles generally accepted in the United States of America (“US GAAP”).

For the most part, IFRS offers sufficient transparency to investors, providing investors and companies with high quality information to make informed decisions and consequently, enhancing investor protection. Reconciliation to US GAAP does not provide additional benefits for investors and it is expensive for companies to prepare. Additionally, permitting foreign private issuers to use their IFRS financial statements without reconciliation to GAAP enhances the competitiveness and vibrancy of the capital markets by encouraging the use of a common international standard, while increasing the quality of accounting information provided to investors.

In light of that view, we *encourage* the SEC to approve the proposed rule as soon as possible and eliminate the reconciliation requirement for fiscal years ending in 2008. We view this as a step towards the larger goal of accounting convergence, which would be expected to result in a single, high quality set of global accounting standards. The Roundtable *encourages* the SEC to continue participating in the accounting standards setting process, as well as the convergence process, to ensure that quality is maintained and investors are protected.

In working toward accounting convergence, the SEC should continue to monitor the development of a new insurance accounting model, since IFRS 4, *Insurance Contracts*, does not establish one standard for the recognition and measurement of insurance contracts. Therefore, with regard to insurance companies, IFRS 4 may not offer the same level of transparency to investors as other IFRS standards applicable to other sectors of the financial services industry.

We *commend* the SEC on its foresight to consider allowing US-based registrants to use IFRS at some point in the future.

Thank you again for the opportunity to share our views with you on this subject. If you have any questions, please feel free to contact me or Melissa Netram at 202-289-4322.

Sincerely,

Richard Whiting  
Executive Director and General Counsel

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<sup>1</sup> The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, investment products and services to the American consumer. Roundtable member companies provide fuel for America’s economic engine accounting directly for \$18.3 trillion in managed assets, \$678 billion in revenue and 2.1 million jobs.