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Ms. Mary Schapiro, Chairman
U.S. Securities and Exchange Commission
100 F Street, N.E
Washington, D.C. 20549 -1090

August 17, 2011

Dear Chairman Schapiro:

We appreciate the opportunity to comment on the SEC Staff Paper dated May 26, 2011, *Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers—Exploring a Possible Method of Incorporation* (the “Staff Paper”). At General Motors, we fully support the objective of a single set of high-quality standards globally and we are supportive the direction of a convergence/endorsement framework similar to the one outlined in the Staff Paper, as well as the underlying predicated principles outlined by the Staff. Yet, we believe that the SEC should maintain a strong U.S. based standard setting presence and actively monitor how effective the framework is at meeting the needs of U.S. investors and other constituents. To this point, we believe the FASB is well positioned to serve this function. Additionally, we are concerned about the volume and timing of proposed standards that may be necessary in order to achieve that goal and the difficulty preparers, investors, auditors and regulators will have in digesting all of the changes. Cost is also a concern. To assist in mitigating the cost of conversion, we believe the convergence/endorsement process should occur over a clearly defined period that provides sufficient time for due process and ultimate implementation. The clearly defined transition period must be viewed as “real” such that companies can actually commit to the project. This transition period should not commence until the framework is further developed and the current FASB-IASB Memorandum of Understanding projects are complete and upon completion the standards are converged.

As the Commission considers the best way to adopt a convergence/endorsement framework, we ask that the Staff consider the following comments or recommendations.

- We believe it is equally if not more important for U.S. companies that the resulting standards are high quality and are capable of being applied in the U.S. environment on a cost effective basis. In this regard, completion of the FASB-IASB process toward mutually-acceptable high-quality standards for those topics covered by their Memorandum of Understanding is imperative. We strongly believe that high quality standards should not be compromised in order to achieve convergence.

- We strongly support the notion that U.S. GAAP would be retained and the FASB would incorporate IFRS into U.S. GAAP over a defined period of time with the focus on minimizing transition costs. We also strongly support the notion that the FASB would continue to play a significant role in U.S. accounting standard setting by incorporating newly issued or amended IFRS's in U.S. GAAP with an endorsement protocol that would provide the Commission and the FASB the ability to modify or supplement IFRS, when necessary, to protect the public interest and investors.
- Among the FASB activities outlined in the Staff Paper, we believe it is critical the FASB has a seat on the IASB and plays a key role in the development of implementation guidance with the goal of improved consistency globally. The IFRS Interpretations Committee and the FASB's Emerging Issues Task Force could also play active roles. The process should consider how to address differences in economic structures globally, how to address language translation and cultural differences in interpretation and application and the degree to which differences in compliance and consistency will be permitted globally, in the U.S. or in other markets.
- The transition period for the convergence/endorsement process is likely to take many years, given recent history, the volume of changes and the complexity surrounding the issues involved. We remain concerned about the volume and timing of proposed standards to achieve this goal and the difficulty preparers, investors, auditors and regulators may have in digesting all of the changes. Thus, we agree with a phased approach to adoption. A staged approach allows all companies to better plan for and fund conversion costs, and help ensure the standards are adopted in a high quality fashion.
- We recommend setting the time frame for convergence/endorsement between five to ten years and that this timeline should not commence until additional progress has been attained through completion of the Memorandum of Understanding project and further development of the proposed framework. However, a timeframe that extends over too long of a period will make it difficult for companies to truly commit to a transition plan and runs the risk that the transition is never completed.
- Until the convergence/endorsement framework is largely complete and success is assured, no U.S. companies should be provided the option to adopt IFRS voluntarily. A mixed approach to accounting and reporting for U.S. companies would be confusing at best. Further, endorsing current IFRS for many registrants represents to some degree an endorsement of current standards that lessens the likelihood of achieving the kind of high-quality standards globally that is the goal of the Commission, a goal which we strongly support. Once additional progress is made and more assurances exist that exceptions between U.S. GAAP and IFRS will be rare (as opposed to "when necessary") the merits and disadvantages of providing an option for U.S. companies to adopt IFRS all at once can be reconsidered.
- The Commission and the IASB should carefully consider how to address short-cuts and non-compliance in global environments that are not committed to the rigorous application of high-quality standards. A single set of high-quality standards is achieved in name only if companies in less rigorous regulatory environments are able to take short-cuts or implement liberal interpretations of onerous provisions and yet access capital in U.S. or other global markets with more rigorous standards.

Again, we appreciate the opportunity to provide the Commission with comments and recommendations for consideration. We are available to discuss this letter with the Staff at the earliest convenience. Should

you have any questions or need to discuss this letter, please contact me at (313) 667-3434.

Sincerely,

/s/ NICK S. CYPRUS

Nick S. Cyprus
Vice President, Controller, and Chief Accounting Officer
General Motors Company

cc: Mr. James Kroeker, SEC Chief Accountant
SEC Commissioners
Leslie Seidman, FASB Chair