



The Blackstone Group

July 29, 2011

Office of the Chief Accountant
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

File Reference: 4-600

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 Blackstone Group (“Blackstone”) is pleased to comment on the proposed method of incorporation of International Financial Reporting Standards (“IFRSs”) into the financial reporting system for US Issuers (the “Proposal”) described in an SEC Staff paper issued on May 26, 2011.

Blackstone is an SEC registrant and prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). Blackstone has a number of foreign subsidiaries, none of which are listed on any national exchange.

Blackstone has followed the developments of the SEC workplan for the adoption of IFRS in the US and has closely monitored the development of accounting standards by the IASB. We are supportive of the proposals to develop a set of high-quality global accounting standards and the ongoing efforts by the IASB and the FASB to converge existing standards as outlined in the Memorandum of Understanding (“MoU”).

We believe that the possible method of incorporation outlined by the SEC is both less burdensome and less costly than a “one-time” adoption approach. The transition timeframe will allow for a phased adoption of IFRS and will allow the FASB and IASB to continue working towards a set of largely converged standards prior to the endorsement phase of the project. We feel that the two boards have made significant headway in their efforts to converge standards and this Proposal allows for the boards to continue towards a common goal for the projects under the MoU and other standards. Permitting the boards to continue to converge standards over an extended period of time is the least disruptive method of adopting IFRS in the US, especially for smaller registrants.

We welcome the SEC’s proposals to permit early adoption of individual Accounting Standard Updates (“ASUs”) during the transition phase of the project as it allows for a phased adoption of these ASUs that fits within an individual entity’s timeframe and budget and allows management to develop a prioritized framework for adoption. While the potential for early adoption of individual ASUs could result in a lack of comparability

The Blackstone Group

during this phase, we believe the overall benefits of the proposed approach outweigh this short term cost.

The retention of the FASB as the primary standard setter during the transition phase will ensure that there is a forum to present specific concerns regarding convergence of existing standards. We feel that this is in the interest of both preparers and users. We would like to ensure that US constituents are adequately represented during the endorsement phase of the project also. We are concerned that, as the FASB would no longer serve as the primary standard setter, there could be some perceived diminishing of the role of the FASB which could result in a reduced ability to attract and retain talent. This could diminish the quality of the input provided to the IASB during their deliberations as well as the quality of the review of proposed IFRSs, including reduced outreach to preparers and users and an inability to determine what modifications may be required to serve the interest of users and for the protection of investors. It is imperative therefore that the FASB retains a strong voice in the standard setting process and is adequately represented at the IASB. In that regard, we recommend that the SEC, Monitoring Board, the Trustees of the IASB and the Financial Accounting Foundation consider a process that would allow some FASB board members to be IASB board members. We acknowledge that if this process is explored it would likely lead to other geographies requesting a similar relationship.

In summary, Blackstone supports the overall objective of a global set of high-quality accounting standards and appreciates the efforts of the FASB and IASB to converge existing standards. We believe that the approach set out by the SEC balances the needs of various constituents and is the most cost-effective and the least disruptive approach for adoption of IFRS in the US.

The Blackstone Group appreciates the opportunity to comment on the Proposal. If you have any questions concerning our comments, please do not hesitate to contact Kathleen Skero at 212 583 5605.

Yours truly,



Kathleen Skero
Finance Director
The Blackstone Group