909 Third Avenue
New York, NY 10022

July 29, 2011

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

Re: 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 – A Securities and Exchange Commission Staff Paper, May 26, 2011 ("The Staff Paper")

Dear Ms. Murphy:

Citigroup Inc. ("Citigroup") is pleased to have the opportunity to comment on the Staff Paper referenced above issued by the Securities and Exchange Commission (SEC or the "Commission").

We support the overall objective of achieving convergence and progressing towards the development of a single set of high quality, global accounting standards. We believe the "Condorsement" approach, which would retain a U.S. standard setter, would facilitate the transition process of incorporating International Financial Reporting Standards (IFRS) into U.S. GAAP and we support this approach. Our more detailed comments follow.

Role of the FASB in the United States

We strongly agree with the Staff Paper that the United States should continue to have an active role in the international accounting standard-setting arena. U.S. public companies represent a significant portion of global market capitalization and, thus, we believe that U.S. constituents should have adequate representation on the International Accounting Standards Board (IASB) and the IFRS Foundation. Since 1973, the Financial Accounting Standards Board (FASB) has been the designated organization to establish standards of financial accounting that govern the preparation of financial reports by nongovernmental entities in the U.S. and has significantly improved financial reporting in that time. Therefore, we agree that the FASB would be best prepared to represent U.S. constituents and should have substantial involvement in the international standard-setting process.

The FASB should have the ability to evaluate each existing IFRS standard on a standalone basis and as new standards are being developed, rather than being limited to a "rare" objection in adopting IFRS standards. Therefore, the FASB should have the ability to endorse or reject IFRS; however, when it rejects IFRS, we recommend that the FASB should justify and support its decision in a formal document, such as the basis for conclusions in the existing FASB standards. The FASB could also consider supplemental disclosures to help reconcile resulting differences between US GAAP and IFRS, where practicable and useful to financial statement users.

Funding

Sarbanes-Oxley requires that funding for the FASB come from assessment of annual dues on public companies and accountants, not from contributions from sponsoring agencies and others, as had been the case prior to the passage of this legislation. Similarly, we believe it is of great importance that the IASB has a mechanism of self-sustained funding. Independent funding is a very important factor in establishing standards free from vulnerability to undue influence by special interest groups.

Transition

Citigroup agrees with the Staff Paper in that transition to IFRS may be most effective if it occurs over a period of time and is based on a phased transition plan at an individual standard level. This approach would allow orderly implementation of the standards as soon as practicable in a rational systematic way. If IFRS were adopted in its entirety at one date, preparers would be required to undertake significant systems changes and incur potentially prohibitive transition costs.

To reduce the complexity of adopting IFRS, we recommend that, whenever feasible, standards be adopted prospectively to avoid the issue of having to restate prior year financial statements. Retrospective application would lead to significant additional costs and necessary data for earlier periods reported may not be available. Furthermore, we believe it is reasonable to allow those issuers that wish to early adopt specific standards to have that option. This approach would ease the process of implementation by allowing companies more flexibility to adopt some of the standards early. Under both scenarios, companies would be able to more effectively manage their resources required for adopting the standards and reduce implementation costs.

While these recommendations may be criticized for the lack of comparability among companies and industries, we believe that the benefit of being able to implement the standards in the most cost-efficient way within the shortest possible timeframe would outweigh the lack of comparability during the years of transition.

During the transition period, we believe the FASB's role should be limited to reviewing new IFRS standards and reducing existing differences between IFRS and US GAAP, based on an analysis of the most critical differences, and should no longer issue separate

US GAAP standards. In addition, the FASB should ensure that endorsed IFRS standards are adopted in a logical order that ensures that we are not adopting a standard based on a framework not yet in US GAAP that would require other not-yet-converged US standards to be adopted first or simultaneously. This will help focus the transition efforts and avoid undue complexity of adopting new standards set solely by the FASB.

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Citigroup appreciates the opportunity to comment on the Staff Paper. If you have any questions, please contact me at 212-559-7721.

Very truly yours,

Robert Traficanti

Robert Traficanti
Deputy Controller and Head of Accounting Policy