

Ms Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303
USA

24 September 2007

Subject: Proposed Rules on acceptance from foreign private issuers of financial statements prepared in accordance with international financial reporting standards without reconciliation to US GAAP (File Number S7-13-07)

Dear Ms Morris

The Confederation of British Industry (CBI) is pleased to have the opportunity to respond to your consultation.

The CBI is the national body representing the UK business community. It is an independent, non-party political organisation funded entirely by its members in industry and commerce and speaks for some 240,000 businesses which together employ around a third of the UK private sector workforce. The CBI's membership includes about 80% of the FTSE 100, many other UK listed companies, some 200,000 small and medium-sized firms, and over 150 sectoral business associations.

The many UK companies and businesses represented by the CBI strongly welcome the SEC's proposal to abolish the reconciliation requirement to US GAAP if foreign private issuers file their accounts using IFRS.

Elimination of the reconciliation requirement to US GAAP will bring significant savings in time and cost for such issuers.

We note that the SEC proposal involves foreign private issuers filing their accounts in accordance with IFRS as issued by the International Accounting Standards Board. This raises a technical issue in that the legal requirement for UK and other EU listed companies is to prepare and publish accounts in accordance with IFRS as endorsed by the EU.

In practice, IFRS issued by the IASB and IFRS endorsed by the EU will normally be the same, but there could be timing differences between an IFRS coming into effect by the IASB, and its endorsement by the EU, and there is also the possibility, hopefully rare, that the EU fails to endorse, or modifies, an IFRS adopted by the IASB.



CBI members therefore consider that EU foreign private issuers should be able to file their accounts in accordance with IFRS as endorsed by the EU. If necessary, such accounts could be reconciled to IFRS as adopted by the IASB, should there be any differences, if required by the SEC.

However, in the event of any such differences, CBI members would certainly not wish to have to revert to a reconciliation to US GAAP, and lose the benefit of the significant cost savings to be achieved in elimination of a reconciliation to US GAAP. Investors do not gain benefit from current reconciliation statements.

Addressing any need for IFRS reconciliation in the way described above would still be consistent with the policy objective of the SEC in future to accept IFRS accounts, and also to permit US companies to file their accounts using IFRS if they wish, which we strongly support as well.

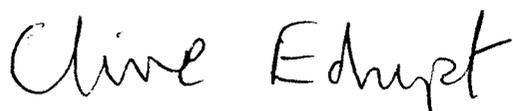
Abolition of the reconciliation requirement to US GAAP and permitting US companies to file using IFRS will also give a significant boost to the aims of harmonisation and broad convergence of international accounting standards for global companies listed on more than one securities market and the work of the IASB and FASB in this area. We support this work with the objective of producing quality accounting standards providing information that investors want at acceptable and proportionate cost to issuers.

We believe that the SEC proposal recognises that progress is being made, and the SEC's proposal provides both momentum to the convergence project and encourage others to adopt IFRS. Abolition of the reconciliation requirement to US GAAP will save significant time and costs for foreign issuers and their auditors, with no adverse impacts on investors.

In connection with the timing for filing of Form 20-F, we consider that it is premature to consider shortening the filing deadline until experience is gained in applying the SEC requirements following the abolition of the reconciliation requirement to US GAAP. Much of the time needed to prepare Form 20-F is spent on the narrative sections which typically differ in form and content from the annual reports that foreign registrants are required to file in their home countries. Over time the removal of US GAAP reconciliation will perhaps encourage more foreign registrants to prepare a single annual report that meets both the narrative requirements for filings in their home countries and the requirements of Form 20-F. We therefore strongly recommend that the SEC defers any decision on shortening the filing deadline, and maintains the current period of six months following the end of the financial year.

The above sets out the CBI's broad position. We have not sought to address all the specific consultation questions, which are best addressed by CBI members themselves in their responses to you.

Yours sincerely



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