



MEMBER OF THE MANAGEMENT BOARD  
CHIEF FINANCIAL OFFICER

September 21, 2007

Ms. Nancy M. Morris  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-9303

Re: Comments on Proposed Acceptance from Foreign Private Issuers of  
Financial Statements Prepared in accordance with International Financial  
Reporting Standards without Reconciliation to U.S. GAAP  
File No. S7-13-07

---

Dear Ms. Morris:

We are submitting this letter in response to the request of the Securities and Exchange Commission (the "Commission") for comments on the Commission's proposal to accept from foreign private issuers financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), without reconciliation to generally accepted accounting principles as used in the United States ("U.S. GAAP"). The proposal is discussed in Release No. 33-8818; 34-55998; International Series Release No. 1302; File No. S7-13-07 (the "Release").

AXA participated in the International Financial Reporting Standards Roadmap Roundtable that was held by the Commission on 6 March 2007. As we made clear during that Roundtable, AXA strongly supports the Commission's proposal to accept IFRS financial statements from foreign private issuers without reconciliation to U.S. GAAP and greatly appreciates the SEC's efforts to meet the objectives of the roadmap to eliminate the U.S. GAAP reconciliation requirement. Following the Roundtable, AXA, UBS and Shell, submitted a joint letter (the "Joint Letter") to Chairman Cox thanking him for the opportunity to participate in the Roundtable and setting out some of the issues that we believe need to be addressed in this context. I have attached a copy of the Joint Letter for your information and, while I will not repeat all the various points in the letter, I would like to state for the record that the Joint Letter continues to accurately reflect the views of AXA.

25, Avenue Matignon 75008 Paris, France  
Téléphone : +33 1 40 75 57 96. Fax : +33 1 40 75 71 01

GIE AXA Groupement d'intérêt économique régi par l'ordonnance du 23 septembre 1967 - 333 491 066 RCS Paris. Siège social : 25, Avenue Matignon 75008 Paris

Be Life Confident

Since the submission of the Joint Letter, we have carefully reviewed the Release. While we believe that the Release addresses many of the relevant issues in a clear, comprehensive and balanced fashion, certain of the issues of critical importance to us that were covered in the Joint Letter are not addressed in the Release, including the following:

#### **1. IFRS as adopted by the IASB**

For AXA the most critical issue is to ensure proper coordination of the new rule with IFRS as adopted in the European Union.

The Commission's proposal would only eliminate U.S. GAAP reconciliation for companies that publish financial statements in accordance with IFRS as published by the IASB. Today, this is substantively achievable for AXA and probably for most other European companies. There is no guarantee, however, that it will always be true going forward.

We would of course prefer that there be only one "IFRS" (and not an IASB version plus jurisdictional variants), however, the reality is that we are legally bound to publish financial statements in accordance with IFRS as adopted by the European Union. In the event that a conflict arises in the future, the Commission's current proposal would effectively require AXA (and other European companies) to either (1) publish two full sets of IFRS financial statements (an IASB version and our legally required EU version); (2) publish EU IFRS accounts plus US GAAP reconciliation or (3) deregister. Option 1 is not something that we would realistically entertain because, even leaving aside the additional work and cost that would be entailed, we think it would be problematic from an investor relations point of view for AXA to publish two separate sets of audited IFRS financial statements (with differences that would likely be very minor). Option 2 would also not be an alternative for us because restarting US GAAP reconciliation after our internal US GAAP reporting systems have been dismantled will not be possible – at least not on a timeframe consistent with production of our annual accounts during a given reporting cycle. Consequently, Option 2 would be a "non-starter" for AXA. This may effectively force us to Option 3 – deregistration – as the only realistic (or "least bad") alternative available to us. This would be a most unfortunate set of circumstances for us because a change adopted at the EU level, which may be driven by considerations over which we may have no influence whatsoever, may effectively force us into the situation – deregistration – that we would like to avoid<sup>1</sup>. While the Commission may choose to provide "ad-hoc" relief in response to any particular future situation, the bottom line effect of the Commission's proposal would be to make our US listing and financial reporting processes "hostage" to EU political decisions over which we have little or no control. This would leave AXA (and other European companies) in a position of continuing uncertainty from year to year going forward which is fundamentally inconsistent with our management needs, the interests of our investors and our understanding of the main objectives underlying the Release.

Consequently, we strongly recommend that the Commission eliminate the U.S. GAAP reconciliation requirement for companies that publish financial statements in accordance with IFRS as adopted by the European Union<sup>2</sup>. This would provide AXA and

<sup>1</sup> In this context, we also, of course, need to consider that deregistration may not always be technically feasible for AXA in the future if, for example, our NYSE trading volume increases relative to our global volume.

<sup>2</sup> If the Commission accepts IFRS as adopted by the European Union, then it should accept audit reports that confirm that financial statements comply with IFRS as adopted by the European Union

other European companies with the certainty we need to maintain our US listing and efficiently manage our financial reporting processes going forward. We believe that this would inure to the benefit of investors and the US capital markets more generally and that the SEC's acceptance of IFRS as adopted by the EU is perfectly consistent with the protection of U.S. investors.

If future differences arise, they are likely to result mainly from timing differences to reflect the period between adoption of a standard by the IASB and its approval by the European Commission<sup>3</sup>. This issue could be dealt with through appropriate disclosure on new accounting pronouncements. If serious differences were to appear likely in the future, the SEC could take appropriate action at the relevant time, including engaging in a dialogue with the European Commission and/or requiring disclosure of material differences between EU IFRS and IFRS as published by the IASB. Given that these issues will arise only in the future (if ever), there is no need to take any such action at the present time.

The Commission seems to take the view in the Release that limiting the new rule to IFRS as published by the IASB is necessary to achieve convergence and consistent global application. We respectfully disagree, for several reasons. First, IFRS as adopted by the European Union is the required accounting standard in 27 countries. It is widely enough used to constitute a force in favor of convergence in and of itself. Second, the IASB, FASB and international regulators have strong incentives to achieve convergence, regardless of the variant (or variants) of IFRS that is included in the Commission's new rule. Third, if European companies do not find the new rule advantageous, and choose to leave the U.S. market, then this could seriously hinder the convergence process. Fourth, if the SEC were to recognize the quality of IFRS as adopted by the European Union, this would be a positive factor that would lead to a more harmonious convergence process through cooperative dialogue and mutual accommodation. We believe this is a worthy objective.

European companies represent a significant percentage of the foreign private issuers that are U.S. reporting companies and that are required to publish IFRS financial statements in accordance with their home country rules. As a result, we believe that in order for the Release to have a meaningful impact and to achieve the benefits sought -- for foreign private issuers, for US investors and for the US capital markets more generally -- the proposal needs to be viable for European companies and, in particular, to provide them with a sufficient level of certainty that, after dismantling their US GAAP reporting systems, they will be able to publish a single set of IFRS accounts going forward without risk that EU political or other decisions (over which they have little or no control) could fundamentally impact their financial reporting processes and put into question the continued viability of their US listing.

## **2. Home Country Control Over Interpretative Questions**

For AXA and other foreign private issuers, close cooperation between the SEC and home market regulators on interpretation of IFRS and enforcement issues is critically important. This cooperation will become even more important following elimination of the US GAAP reconciliation requirement because otherwise foreign private issuers may be

---

<sup>3</sup> Such timing differences may result from the extensive due process requirements of the European Commission before endorsing a new IFRS standard. We would not, however, expect substantive differences to arise or, if they do, only in very rarely.

“caught in the middle” to arbitrate between conflicting interpretations of IFRS from the SEC and their home market regulators. We believe that the principle of “home country control” should prevail and, consequently, that home country market regulators, after discussion and consultation with the SEC, should have the final decision with respect to interpretative questions of IFRS relating to companies domiciled in their jurisdiction and related enforcement measures – just as we would expect the SEC to retain the final decision on such matters with respect to US companies that maintain multiple listings if and when the SEC permits US issuers to use IFRS as their principal system of accounting.

We hope that when commenting on IFRS financial statements of foreign private issuers, the Commission staff will keep in mind that these financial statements will also in many cases have been reviewed and discussed with home market regulators and may also be subject to processes or requirements (such as shareholder approval) that do not exist, or that are different from, those that exist in the United States. In France and many other European countries, for example, restatements are exceedingly rare, not as well understood, and may expose a company and directors and officers to criminal and other sanctions. In a post-reconciliation world, where the Staff will be commenting directly on the primary financial IFRS financial statements of foreign private issuers, we would hope that the Commission would be particularly sensitive to these issues given the disproportionate impact they may have on foreign private issuers in their home countries as compared to the United States. In this context, we would encourage the Commission staff to work closely with home market regulators and to favor requests for prospective changes in future filings over restatements.

We recognize that the Commission has a continuing dialogue with CESR and individual European market regulators, however, we think that further action need to be taken and that the Commission should conclude a formal protocol with CESR (or separate protocols with individual home market regulators) based on the home country control principle so that all market participants have a clear understanding of how interpretative questions and enforcement measures will be addressed after the reconciliation requirement has been eliminated. In this context, we also would urge the SEC to develop protocols that treat interpretive requests (i.e., stemming from the pre-clearance process) as confidential by all the relevant regulators.

### **3. Interim Financial Statements**

The Release provides that an issuer may provide interim period IFRS financial statements with no reconciliation but will continue to be required to comply with Article 10 of Regulation S-X with regard to interim financials when that information is required by Item 8.A.5 of Form 20-F. While there are certain differences between the requirements of IAS 34 and Article 10, we believe that interim financial statements prepared in accordance with IAS 34 provide financial statement users with full, fair and complete interim period financial information that is sufficient in all respects. Consequently, we believe issuers that prepare interim financial statements in accordance with IAS 34 should not be required to comply with Article 10 of Regulation S-X. In our view, a requirement that foreign private issuers continue to comply with Article 10 will impose a significant and unnecessary burden while providing little or no benefit to the US investing public. Without eliminating the Article 10 requirement, foreign private issuers, like AXA, that report on a calendar year basis will continue to be “blacked out” from the US markets after September 30 each year unless they undertake additional financial reporting beyond IFRS for their half-year accounts. As

discussed and highlighted at the Roundtable, the "blackout" period resulting from US GAAP reconciliation and Article 10 requirements currently applicable to interim financial statements of foreign private issuers constitutes a very significant impediment to their ability to access the US capital markets, puts foreign private issuers at a disadvantage to US domestic issuers and means that US investors may be excluded from transactions that would otherwise be made available to them..

#### **4. Acceleration of 20-F Filing deadline**

We understand that a shorter filing deadline for the Form 20-F may be helpful for US investors and provide them with more timely information. In this context, we would note that US GAAP reconciliation, while very significant, is not the only factor that is specific to the US filings of foreign private issuers – items such as Section 404 internal control certification, U.S. tax disclosure and similar US specific disclosures require preparation time including time for high quality translations for those foreign issuers, like AXA, that produce their home country annual reports in languages other than English. If the Commission were to shorten the deadline, we would recommend that it allow a transition period of a few years, and that the deadline be no earlier than four months after fiscal year end (which is the deadline for home country financial reports under the EU Transparency Directive).

#### **5. Timing of Adoption**

We believe, and the comments of the other Roundtable participants made clear, that investors and analysts both in the U.S. and outside the U.S. use our primary IFRS financial statements to value and make investment decisions about AXA, and the US GAAP information that we are currently required to provide does not meaningfully add to investors' understanding of AXA or their ability to make timely and informed investment decisions. This is confirmed by the fact that we receive very few requests or inquiries concerning our US GAAP reconciliation from shareholders, investors, analysts and others. The comments of Roundtable participants evidenced a uniform view that eliminating the Requirement will not harm US investors or the US capital markets.

The Commission noted in the Release that IFRS does not completely deal with all issues (income statement presentation, insurance, extractive industries, etc.). We understand that the CFO Forum plans to address this point in a separate comment letter to the SEC, including with respect to insurance. We believe that the fact that IFRS is perhaps not yet "perfect" should not delay the process of eliminating the US GAAP reconciliation. IFRS will undoubtedly continue to evolve to deal with issues that are currently known, as well as future issues, and as part of the on-going convergence efforts of the relevant standard setters. As a whole, we believe that IFRS is a body of accounting principles that is more than sufficient to provide high quality information to investors.

Consequently, we believe that eliminating the US GAAP reconciliation requirement will not harm US investors or financial markets. We, therefore, encourage the Commission to eliminate the reconciliation requirement for the fiscal 2008 financial statements of foreign private issuers.

## **6. Forward Looking Information**

The Commission noted in the Release that IFRS 7 requires market risk disclosure in the footnotes to the financial statements including a sensitivity analysis based on certain forward looking information. This information is similar in many respects to the market risk information required under Item 11 of Form 20-F which appears outside of the financial statements. We believe that the forward looking information included in an issuer's financial statements, such as that required by IFRS 7, should be covered by safe harbor protections to the same extent as forward looking information that appears outside the financial statements such as in Item 11 of Form 20-F. In our view, the rationale and motivations underlying the protections afforded by Section 27A of the Securities Act and 21E of the Exchange Act apply with equal force and validity to forward looking information required to be included in the financial statements. Consequently, we believe that the Commission should undertake rulemaking to make clear that the protections afforded by Sections 27A and 21E also cover forward looking information required to be included in an issuer's financial statements under IFRS 7.

## **7. Miscellaneous**

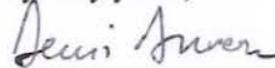
In the Joint Letter we urged the Commission, in addition to eliminating the US GAAP reconciliation, to also eliminate narrative and other US GAAP disclosures currently required in the Form 20-F (e.g. in Items 5, 17, 18) and in other SEC Forms used by foreign private issuers (e.g. F-3 and F-4) because we believe that these disclosures will be of limited or no relevance once the US GAAP reconciliation is eliminated. The Release proposes to eliminate or appropriately modify many of these requirements and we greatly appreciate the Commission's attention to these points. We note, however, that references to FASs, FASB interpretations, and other specific pronouncements of US GAAP are proposed to be maintained for definitional purposes in several non-financial statement disclosures in Form 20-F and that the Commission proposes to add a new instruction to Item 5 and Item 11 that will direct foreign private issuers to look to the appropriate corresponding standards and interpretations in IFRS that contain similar definitions. In order to avoid confusion, we would urge the Commission to delete the references to these US GAAP pronouncements and to instead amend the Form 20F instructions to refer to the appropriate IFRS guidance.

\* \* \* \* \*

In conclusion, we would like to again thank the Commission for inviting AXA to participate in the Roundtable and giving us the opportunity to comment on the Release. We strongly support the Commission's initiative and encourage the Commission to adopt a final rule on its target timetable, so that companies can take advantage of the new rule in 2009, when they prepare their 2008 financial statements. This would send a positive signal to the market and would represent an important step in the global accounting convergence process.

We appreciate the opportunity to participate in this process, and we look forward to its successful conclusion.

Very truly yours,



Denis Duverne  
Member of the Management Board and  
Chief Financial Officer

cc: The Honorable Christopher Cox, *Chairman*  
The Honorable Paul S. Atkins, *Commissioner*

The Honorable Annette L. Nazareth, *Commissioner*  
The Honorable Kathleen L. Casey, *Commissioner*

John W. White, *Director, Division of Corporation Finance*  
Conrad W. Hewitt, *Chief Accountant*  
Brian Cartwright, *General Counsel*  
Ethiopsis Tafara, *Director, Office of International Affairs*  
Julie A. Erhardt, *Deputy Chief Accountant, Office of Chief Accountant*  
Paul M. Dudek, *Chief of the Office of International Corporate Finance, Division of Corporate Finance*

Commissioner Charlie McCreevy, *European Commission*  
David Wright, *Director, Financial Markets, DG Internal Market*  
Eddy Wymeersch, *Chairman, Committee of European Securities Regulators*



Chairman Christopher Cox  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

5 July 2007

## Roadmap to Eliminating the U.S. GAAP Reconciliation Requirement

Dear Chairman Cox:

AXA,<sup>1</sup> Royal Dutch Shell,<sup>2</sup> and UBS<sup>3</sup> would like to thank the Chairman, the Commissioners, and the Staff of the U.S. Securities and Exchange Commission (SEC) for holding the International Financial Reporting Standards (IFRS) Roadmap Roundtable on 6 March 2007. We also would like to express our gratitude for being invited to participate in that timely and important event. We greatly appreciate the SEC's efforts to meet the objectives of the roadmap to eliminate the U.S. GAAP reconciliation requirement (the Requirement). The SEC's recent issuance of the "Proposing Release" is another significant milestone on that road.<sup>4</sup> We recognize that the achievement of that milestone is due to the SEC's strong support of IFRS and its other efforts to improve access to the U.S. capital markets for foreign private issuers.

Our respective comment letters responding to the detailed provisions of the Proposing Release will be forthcoming; nevertheless we would like to take this opportunity to repeat and emphasize the key messages we shared with the SEC at the roundtable. We hope you find our comments to be useful as you consider the issues that the Proposing Release comprehends.

### IFRS

IFRS is a high-quality set of principles-based accounting standards that has wide geographic acceptance. Neither IFRS nor U.S. GAAP is a perfect set of accounting standards but perfection is not the bar by which either should be judged. At issue is whether a set of accounting standards provides investors and other users of financial statements with the high-quality information required to make economic decisions. In our experience, IFRS-based financial statements provide that required information. Investors and other relevant users are able to rely on our IFRS-based financial statements to make economic decisions.

Additionally, those financial statements are prepared in a disciplined and well controlled environment. We have a responsibility to provide investors, regardless of where they reside, with financial information that fairly reflects the financial condition and performance of our respective enterprises.

### U.S. GAAP Reconciliation of Little Benefit to Investors

As demonstrated by the extremely limited number of requests for information about our U.S. GAAP reconciliations, we believe that U.S.-based (and non-U.S.-based) investors and other users

<sup>1</sup> AXA, a French "société anonyme," is the holding (parent) company for an international financial services group focused on financial protection, insurance and asset management. AXA operates principally in Western Europe, North America and Asia-Pacific.

<sup>2</sup> Royal Dutch Shell PLC is engaged in all principal aspects of the oil and natural gas industry, and also has interests in chemicals and additional interests in power generation and renewable energy (chiefly in wind and advanced solar energy). These activities are conducted in more than 130 countries and territories.

<sup>3</sup> UBS AG and its subsidiaries provide a broad range of financial services, including advisory services, underwriting, financing, market making, asset management and brokerage on a global level, and retail banking in Switzerland.

<sup>4</sup> SEC press release, *SEC Announces Next Steps Relating to International Financial Reporting Standards*, 24 April 2007.

have little interest in them. The comments of institutional investors, a credit-rating agency and other participants at the roundtable reflect that same view — investors and analysts in the U.S. and outside the U.S. use IFRS-based financial information to value enterprises like ours and make economic decisions<sup>5</sup>, and the US GAAP information that we are currently required to provide is of little or no relevance for them. Such comments are further proof that IFRS-based financial statements provide the high-quality information required to make economic decisions. The comments of Roundtable participants evidenced a uniform view that eliminating the Requirement will not harm U.S. investors or U.S. financial markets. Consequently, we recommend that the SEC eliminate the Requirement for the fiscal 2008 financial statements of foreign private issuers.

### **Benefits for U.S. Capital Markets**

We believe that eliminating the Requirement will be beneficial for the U.S. capital markets. Eliminating the Requirement would greatly expand the period of time in which foreign private issuers can access U.S. capital markets<sup>6</sup>. Today, many foreign private issuers are locked out of the U.S. capital markets after September 30 when their year-end IFRS financial statements (with the U.S. GAAP reconciliation) go stale. In order to have continuing access to the U.S. markets, an interim U.S. GAAP reconciliation is required, which very few foreign private issuers prepare due to the significant cost and time involved in doing so. Elimination of the Requirement would solve this problem because foreign private issuers would then be able to use their half-year IFRS financial statements for purposes of registered U.S. securities offerings; therefore, they would (a) gain virtually uninterrupted access to the U.S. capital markets and (b) be able to fully take advantage of the SEC's recently adopted WKSI rules, designed to facilitate access to the U.S. markets by companies like ours. Consequently, we believe that an elimination of the Requirement is likely to increase the utilization of the U.S. capital markets by foreign private issuers. Eliminating the Requirement also would decrease ongoing reporting costs and significantly reduce the implementation, operational, and reputational risk associated with reporting under multiple sets of accounting standards.

### **Consistent Global Regulatory Framework**

It is imperative that the SEC and other securities regulators cooperate with respect to the interpretation and enforcement of IFRS as well as on a number of other related issues. We laud the SEC for demonstrating leadership in this area, for example, by establishing the joint work plan with the Committee of European Securities Regulators (CESR) and by helping to establish the International Organization of Securities Commissions IFRS database.<sup>7</sup> We foresee that IFRS will eventually become the single, globally accepted set of accounting standards. The creation of a consistent global regulatory framework with respect to those standards will benefit all participants in capital markets around the globe because it will increase the comparability and quality of financial information, lower the cost of capital, improve resource allocation and capital formation, and help increase the rate of economic growth.<sup>8</sup> Additionally, as an interim step to one global set of accounting standards, we support the mutual recognition of IFRS and U.S. GAAP by the U.S. and the European Union.

For foreign private issuers, close cooperation between the SEC and home market regulators on interpretation of IFRS and enforcement issues has always been critically important. This cooperation will become even more important following elimination of the Requirement because otherwise foreign private issuers may be "left in the middle" to arbitrate conflicting interpretations of IFRS between the SEC and their home market regulators. We encourage the SEC to continue to make progress on this subject, as done with UK and German regulators,<sup>9</sup> with home country regulators (and associations of those regulators such as CESR) in parallel with the rule-making process with a view to concluding appropriate protocols. We believe that the principle of home country regulatory oversight should prevail and, consequently, that home country market regulators (after appropriately considering the views of the SEC) should have the final say with respect to interpretative questions of IFRS and related enforcement measures with respect to

<sup>5</sup> Refer to comments made by Dennis Johnson, CalPERS, Greg Jonas, Moody's, and Joe Joseph, Putnam Investments, at the second panel of the 6 March 2007 roundtable.

<sup>6</sup> Refer to comments made by Denis Duverne, AXA, at the third panel of the 6 March 2007 roundtable.

<sup>7</sup> SEC press release, *SEC and CESR Launch Work Plan Focused on Financial Reporting*, 2 August 2006; IOSCO press release, *Regulators to Share Information on International Financial Reporting Standards*, 4 October 2005.

<sup>8</sup> Refer to Section V(E) of U.S. SEC's *Study Pursuant to Section 108(d) of the Sarbanes-Oxley Act of 2002 on the Adoption by the United States Financial Reporting System of a Principles-Based Accounting System*.

<sup>9</sup> SEC press release; *SEC, UK FSA, and UK FRC Sign Protocol for Sharing Information on Application of IFRS*; 25 April 2007, and SEC press release; *SEC, German BaFin Sign Regulatory Cooperation Arrangement*; 26 April 2007.

companies domiciled in their jurisdictions. In that context, we also would urge the SEC to develop protocols that treat interpretive requests (i.e., stemming from the pre-clearance process) as confidential by all the relevant regulators as well as on a timely basis; otherwise, issuers may be reluctant to proactively discuss sensitive interpretative matters with the SEC.

### **Feasible Implementation and Practical Concerns**

Many foreign private issuers use IFRS as approved or adopted by their home country jurisdictions, and not as issued by the IASB. Requiring that issuers use IFRS as issued by the IASB, as proposed in the Proposing Release, means that most foreign private issuers would still have to prepare U.S. GAAP reconciliations. This is a critical issue that should be fully considered and discussed, especially with CESR, because it could effectively negate the potential benefits of this initiative for many foreign issuers.

As the SEC considers the changes to U.S. regulations that will be necessary to accommodate the elimination of the Requirement, we also ask that the SEC consider how and to what extent Item Nos. 17 and 18 of Form 20-F should be modified. Discussions have mainly focused on the quantitative reconciliation requirement and the qualitative disclosures explaining adjustments necessary to present results in accordance with U.S. GAAP. There has been little discussion regarding other U.S. GAAP and SEC disclosures required under Item 18 of Form 20-F. In addition, other forms such as Forms F-3 and Form F-4 require compliance with Item 18 of Form 20-F under certain circumstances. We urge the SEC to consider those additional disclosure requirements in its analysis and to eliminate or modify them appropriately. In our view, qualitative disclosures of differences between IFRS and US GAAP and other similar qualitative U.S. GAAP disclosures will be of limited relevance once the Requirement is eliminated and should also be eliminated.

As noted above, we urge the Commission to eliminate the Requirement for the fiscal 2008 financial statements of foreign private issuers. Clear communication on that point will help us to prepare our shareholders and other interested parties to be ready for that eventuality and will allow us to begin redeploying our resources and making adjustments to our internal financial reporting processes.

\*\*\*\*\*

In conclusion, we would like to thank the SEC for taking the time to listen to our views. To reiterate, IFRS is a high-quality set of accounting standards that results in high-quality financial statements. We believe that investors and other users of financial statements receive little benefit from U.S. GAAP reconciliations, and consequently, we recommend that the Requirement be eliminated for fiscal 2008 financial statements. If there are any questions about our views or other aspects of this letter or if any of us can be of further assistance to the SEC, please feel free to contact any of us.

AXA

Royal Dutch Shell

UBS AG

Denis Duverne  
Chief Financial Officer

Peter Voser  
Chief Financial Officer

Clive Standish  
Chief Financial Officer

### Copy

Mr. Paul Dudek  
Ms. Carole Stacey  
Mr. John White