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Nancy M Morris
Secretary
Securities and Exchange Commission
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24 September

Dear Ms Morris

Proposed Rule S7-13-07: Reconciliation to US GAAP

The Chartered Institute of Management Accountants (CIMA) is pleased to have the opportunity to comment on this consultation. CIMA is a global professional body representing accountants in business. CIMA represents over 158,000 members and students in 161 countries. CIMA is committed to high quality, global, principle-based, neutral financial reporting standards and supports the widespread adoption of International Financial Reporting Standards.

We welcome the proposed rule which anticipates a time when foreign private issuers of financial statements compliant with IFRS can satisfactorily file these in the United States without cause to also submit a reconciliation to US GAAP. We believe that international financial reporting standards provide a robust set of accounting principles which should result in financial statements that are as informative and useful to US investors as US GAAP.

The Commission will be aware of the endorsement mechanism in Europe which needs to be respected before any standard issued by the IASB can be used by companies in Member States. This mechanism can delay the adoption of international standards by European companies and we believe that the SEC proposed rule could be amended to take into account this fact.

The proposed rule would remove the reconciliation require for financial statements drawn up in accordance with IFRS as published by the IASB. We would prefer that this amendment is extended to also include financial statements drawn up in accordance with IFRS as endorsed by the EU.

However, we recognise that this might, at this stage, be a step too far for US investors. As a compromise, we suggest that foreign private issuers preparing financial statements drawn up in accordance with IFRS as endorsed by the EU are required to file a reconciliation to IFRS as published by the IASB rather than to US



GAAP. We believe that this will provide US users with the necessary information to establish a level playing field between companies while reducing the cost burden for European companies.

We would be pleased to discuss with you any aspect of this letter that you may wish to raise with us.

Yours sincerely

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