

July 16, 2007

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

Dear Ms. Morris:

**Re: Release No. 33-8818; File No. S7-13-07
Acceptance From Foreign Private Issuers of Financial Statements Prepared in
Accordance with International Financial Reporting Standards Without
Reconciliation to U.S. GAAP**

Fairfax Financial Holdings Limited ("Fairfax") is pleased to submit this letter in support of the Securities and Exchange Commission's ("SEC's") proposal to accept financial statements from foreign private issuers that are prepared on the basis of the English language version of International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board ("IASB"), without a reconciliation to U.S. generally accepted accounting principles ("GAAP") (referred to below as the "Proposed Amendments").

Fairfax Background

Fairfax is a financial services holding company, headquartered in Toronto, Ontario, Canada. Our securities are listed on the Toronto Stock Exchange and the New York Stock Exchange. Through its subsidiaries, Fairfax is engaged in property and casualty insurance and reinsurance, investment management and insurance claims management. As at March 31, 2007, Fairfax had total assets of approximately \$26.4 billion and total shareholders' equity of approximately \$3.0 billion, and our revenue for the twelve months ended December 31, 2006 was approximately \$6.8 billion.

Comments on the Proposed Amendments

Under the SEC's current requirements, a foreign private issuer such as Fairfax that files financial statements prepared under home country (*i.e.*, non-U.S.) GAAP must include a reconciliation to U.S. GAAP in its SEC-filed financial statements. This requirement has persisted even though nearly 100 countries now require or allow the use of IFRS, and additional countries, including Canada, are moving in that direction.¹ Accordingly, Fairfax commends the SEC for taking the important step to facilitate the convergence of U.S. and non-U.S. accounting principles by allowing foreign private issuers to file IFRS financial statements without reconciling to U.S. GAAP.

Fairfax agrees with the SEC that high-quality financial statements are critical to the protection of investors and the efficiency of the global capital market.² The utility of financial statements to investors, however, will only be maximized when they facilitate comparison of global investment opportunities without the need to adjust for disparate national standards.

Fairfax believes that allowing the use of IFRS financial statements without reconciliation to U.S. GAAP will effectively accomplish two key goals: (1) helping to level the playing field between U.S. and non-U.S. issuers who access the U.S. capital markets, and (2) protecting investors – U.S. and non-U.S. – who will benefit from high-quality and easily understood financials that afford comparability across companies. A further benefit, of course, will be elimination of the incentive that foreign private issuers currently have to avoid the U.S. capital markets and move to jurisdictions with less costly compliance and disclosure requirements.

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¹ *Implementation Plan for Incorporating IFRSs into Canadian GAAP* (as of March 31, 2007), available at http://www.acsbcanada.org/client_asset/document/3/2/7/3/5/document_8B452E12-FAF5-7113-C4CB8F89B38BC6F8.pdf.

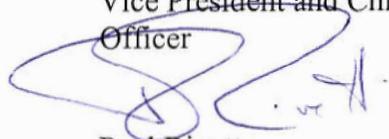
² Regulation of International Securities Markets, Release No. 33-6807 (Nov. 14, 1988), 53 FR 46963.

Thank you for the opportunity to comment on the Proposed Amendments. Fairfax appreciates the SEC's initiative to facilitate a single set of globally accepted accounting standards and believes that allowing foreign private issuers to use IFRS is an important step in achieving this goal.

Yours truly,



Greg Taylor
Vice President and Chief Financial
Officer



Paul Rivett
Vice President and Chief Legal
Officer