



GROUP FINANCE & CONTROL

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Group Controller

Nancy M. Morris
Securities and Exchange Commission
100 F Street, NE,
Washington, DC 20549-1090.
United States of America

Subject

Proposed rules on acceptance from foreign private issuers of financial statements prepared in accordance with IFRS without reconciliation to US GAAP

Date

24 September 2007

Dear Ms Morris,

We appreciate the opportunity to provide comments on the proposals from the Securities and Exchange Commission to accept financial statements of foreign private issuers prepared in accordance with IFRS without reconciliation to US GAAP. ING Group has contributed to responses by other organizations (including the Institute of International Finance, the European Banking Federation, the European Insurance CFO Forum and the European Commission) and support the comments made. In this letter we highlight what we consider to be the most important issues.

We welcome the proposals that would accommodate acceptance by the Commission of financial statements prepared in accordance with IFRS without reconciliation to US GAAP and believe it reflects an important step in the international recognition of IFRS. We strongly support the aims of mutual recognition, global convergence on accounting standards and the reduction in the burden of dual reporting for foreign private issuers.

However, we are very concerned that, a large number of foreign private issuers in the European Union (EU), which, in accordance with EU law, prepare financial statements in accordance with IFRS as adopted in the EU, will not qualify under the proposals as currently drafted.

We have set out our comments below by broad topic rather than responding to each individual question set out in the proposals. Further, we have not addressed all of the topics covered by questions in the proposals as we believe that certain topics are best addressed by auditors, regulators, or other market participants.

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Acceptance of IFRS

In the European Union (EU) all listed companies are required by law to prepare their consolidated financial statements in accordance with *IFRS as adopted by the EU* (“IFRS-EU”). The current proposals refer to *the English language version of IFRS as issued by the IASB* (“IFRS-IASB”). Therefore, many European companies applying IFRS-EU would not qualify for the relief under the proposals as currently drafted.

ING strongly supports the ultimate goal of one globally recognized set of accounting standards. However, it should be recognized that, in the current legal framework, the EU has its right to examine each standard or interpretation before it is adopted. Therefore, from a practical perspective, IFRS-EU and IFRS-IASB may not be identical at each point in time. Differences between IFRS-EU and IFRS-IASB are limited to potential temporary differences due to the endorsement process and one very specific difference in hedge accounting, which is only relevant to a limited number of banks. We believe that the proposals, in only accepting IFRS-IASB, are not in accordance with the principles of reciprocity and mutual recognition of regulatory standards and do not recognize the significance of the EU in terms of being the largest user of IFRS.

Therefore, we believe that the Commission should, at least for a given period, recognize the equivalence of IFRS-IASB and IFRS-EU and extend the proposals to companies applying IFRS-EU. After such period, the Commission could reconsider the equivalence of IFRS-EU and IFRS-IASB. We believe that such an approach is consistent with the precedent set in 2005, when the Commission issued its rule on the first time application of IFRS and amended General Instruction G to permit issuers applying IFRS-EU to benefit from its first time adoption accommodation.

We would also like to note that companies applying IFRS-EU could face significant difficulty with stating compliance with IFRS-IASB, even if its accounting policies are fully compliant with IFRS-IASB. This is due to the requirement in IFRS 1 paragraph 3 that the first time that a company explicitly states compliance with IFRS-IASB determines its “transition date”. Different transition dates under IFRS-EU and IFRS-IASB may prohibit companies issuing a single set of accounts that comply with both IFRS-EU and IFRS-IASB (even if its accounting policies comply with both) and would consequently result in a new dual reporting burden, despite being relieved from the requirement to reconcile to US GAAP.

Development of IFRS

We also believe that IFRS is sufficiently developed and understood by the global financial community, including US investors, to be used without reconciliation to US GAAP.

We also believe that the benefits that will arise from eliminating the reconciliation to US GAAP should also apply to insurance companies.

We believe that the Commission should recognize the current standard on accounting for insurance contracts (IFRS 4). In particular, we note that IFRS 4 prescribes various minimum requirements for insurance contracts and requires extensive disclosure on insurance contracts and the nature and extent of risks arising from insurance contracts, as well as a comprehensive disclosure of the entity's accounting policies. These disclosures are more extensive in certain areas than US GAAP and were designed to increase comparability, given the potential differences in underlying accounting policies. Further convergence in insurance accounting is highly likely given the Insurance Contracts project currently being undertaken by the IASB and we support the development of a comprehensive IFRS insurance standard.

Accordingly, we do not believe that there are sufficient grounds to exclude insurers from the scope of the proposals. Furthermore, we do not consider that reconciliation to US GAAP would be an effective method of enhancing comparability between insurance companies.

Deadline for Form 20-F and Interim financial information

We believe that the deadline for the Form 20-F should not be earlier than the deadline for an issuer's annual report in its home market. A change in rules aimed at easing the burden of foreign private issuers should not result in issuers being subject to more onerous deadlines in respect of financial statements than required in its home market.

Similarly, we also believe that interim financial information to be filed with the Commission should be aligned to the IFRS interim financial information that is published under home market regulations.

Forward looking information required by IFRS 7

IFRS 7 requires providing certain forward looking information (e.g. sensitivity of earnings to reasonably possible future changes in market risk data) inside the IFRS financial statements. Similar information is provided by US issuers outside the financial statements under safe harbor provisions. In order to obtain a level playing field, we believe it would be appropriate for the Commission to provide a similar safe harbor provision for companies that report under IFRS.

We would be pleased to discuss our comments or provide further information where necessary.

Yours sincerely,

