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April 14, 2009

Ms. Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, NE
Washington DC 20549-1090

Request for comments on *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers*
(File Reference No. S7-27-08)

Dear Ms. Harmon,

McDonald's Corporation appreciates the opportunity to comment on the Commission's proposed *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards (IFRS) by U.S. Issuers* ("Roadmap"). McDonald's agrees with the ideal of a single set of high-quality globally accepted accounting standards. However, we also believe that on a global level full compliance with a single standard, consistently applied, is unlikely and that major differences between IFRS and U.S. GAAP can be minimized through continued convergence.

We believe that once convergence is sufficiently complete, the result will be standards that will be substantially similar and reflect the "best of both" current sets of standards. We acknowledge that this would require a continual process of ongoing collaboration. We do not believe that the proposed Roadmap towards the mandatory use of IFRS is a better alternative for investors. The Roadmap does not provide compelling arguments to support the conclusion that IFRS is better than U.S. GAAP, and in fact puts forth a number of comments that would indicate that U.S. GAAP meets the needs of investors and issuers in the global capital markets that exist today. Finally, the costs to comply with the mandate would be extraordinary. The following comments reflect some specific thoughts on the proposed Roadmap.

We believe that the following benefits of converting to IFRS, as identified in the Roadmap, should be reconsidered:

Protection of investors – The Roadmap notes that investors will benefit as more companies prepare their financial statements applying a single set of high-quality accounting standards since the results will be *comparable* financial information. It is further noted that this benefit is dependent upon financial reporting that applies these standards *consistently* across companies, industries and countries. We believe that comparability of financial information and full compliance with IFRS as issued by the International Accounting Standards Board (IASB) is an ideal goal that is unlikely to be achieved under IFRS for the following reasons:

- IFRS will likely result in a diverse range of interpretations and application as it is principles-based and is not as developed or prescriptive as U.S. GAAP.
- Certain foreign jurisdictions have already adopted variants of IFRS, which has resulted in discrepancies from IFRS as issued by the IASB.

Issuers have more access to capital – The Roadmap notes that “it is likely that large U.S. issuers that compete for capital on a global basis will increasingly need to use and understand IFRS financial statements in order to remain competitive”. Our experience has shown that the history of a company’s financial results, investors’ views about underlying growth characteristics and strength of management to lead the company are determining factors in the complex investing decisions. Further, it is noted in the Roadmap that U.S. issuers with U.S. GAAP financial statements comprise a large portion of the worldwide equity market capitalization and foreign investors “likely have a correspondingly thorough understanding of U.S. GAAP.” Also noted is “U.S. GAAP is a well-established basis of financial reporting and is applied by all U.S. public companies, many foreign companies, and many U.S. private companies, as well as their auditors. Today, U.S. GAAP is accepted in capital markets around the world.” We agree that U.S. GAAP is widely understood and accepted around the world and do not believe that U.S. issuers will significantly benefit from moving away from U.S. GAAP.

We believe that the costs to convert to IFRS will be extraordinary.

The total cost to convert to IFRS is extremely challenging to capture since it involves both quantifiable cash costs, as well as the cost that the distraction and reallocation of resources will cause to businesses. The cash costs alone will be significant and would include the costs for changing IT systems, updating policies and procedures, documenting and testing internal controls, training personnel, paying for duplicate audits during the transition period, and maintaining multiple sets of books. The fact that the U.S. tax code refers to U.S. GAAP means that, absent a modification in tax code, U.S. companies would need to continue to keep a set of U.S. GAAP books. Even if the U.S. tax code is modified, companies would need to keep two sets of books during the proposed three-year transition period. In addition to the costs that would be incurred by issuers, significant costs would also be incurred by other constituents, including government agencies, educators, credit agencies and financial institutions. We have significant concerns with justifying these costs compared with the incremental benefits of converting to IFRS relative to convergence. We believe this to be the case in any environment, but especially in the current environment, given the current state of the economy and the many challenges that companies are facing. Company resources should be focused on advancing business objectives that will benefit all stakeholders.

If the decision is made to proceed with the Roadmap:

As noted above, we strongly support continued convergence as opposed to converting to IFRS since we believe that the costs of adopting IFRS currently outweigh its benefits. However, if the decision is made to continue towards adoption of IFRS, we respectfully request that the following items be considered:

Timing of decision / implementation date

We recommend that there be at least a three year period between a final decision and the first period for which IFRS results would be required to be reported with only one year of comparative financial information prepared under IFRS. As currently proposed,

a final decision would be made in 2011. Assuming a decision later in 2011, our recommendation would require an IFRS filing for fiscal years ending after December 15, 2015 for large accelerated filers and disclosure of two years of financial information under IFRS with the January 1, 2014 balance sheet amounts restated.

Our recommendation is based on the following:

- Given the significant investment of time and resources that would be necessary to comply with IFRS, a company would need to make substantial investments prior to the decision date in order to be able to comply with the Roadmap's reporting timeline. Under our proposal, being able to defer significant expenditures until after a final decision is made would help mitigate the risk of wasted resources, should the decision be made not to mandate IFRS.
- If the decision is made to require IFRS, our proposed timeline would allow companies to maintain parallel accounting systems rather than restate results.
- This timing would mitigate the risk in 2011 of the SEC being unduly influenced by U.S. filers who have already invested significant dollars toward conversion.

Accountability and funding of the International Accounting Standards Committee (IASC) Foundation and U.S. Influence in the Standard Setting Process

We note that the Commission will consider the degree to which the IASC Foundation has a secure funding mechanism that permits the IASB to function independent of special interest groups. This is most critical for the protection of investors and the credibility of issuers, and it will be vital to ensure that there is enough certainty in this area by the proposed adoption timeline.

In addition, we are concerned that the level of input from U.S. stakeholders in the standard setting process may be insufficient. The current due diligence process in the U.S. works effectively with input from a wide range of stakeholders. We understand that the U.S. representation on the IASB will likely be small. However, U.S. public companies represent a significant portion of the global market capitalization and we believe it will be important for U.S. companies to be fairly represented in the standard setting process.

Convergence process and issuance of new accounting standards

It is critical that over the next several years the IASB and the FASB continue to work towards the common goal of converging the two sets of standards into substantially similar world-class standards. This would greatly assist in the implementation of IFRS, if needed. In addition, during this transition period, we believe that the IASB, FASB and other rule-making bodies should not issue any new accounting standards or guidance that do not support convergence. This will reduce the complexity already inherent in the process and will allow companies to focus on the efforts necessary for conversion rather than spending time adopting new standards that may change if IFRS is ultimately adopted.

Summary Comment

In summary, we believe that converging U.S. GAAP with IFRS will create very similar high quality accounting standards in a cost effective manner and the incremental benefit of having all U.S. companies convert to IFRS would not support the additional time and cost. While convergence may take a little longer than the proposed Roadmap, we believe that it will be a more orderly process and will allow companies to focus on their strategic business priorities in today's challenging economic environment.

McDonald's appreciates the opportunity to express our opinion on this matter. We would be pleased to discuss our comments in greater detail, if requested.

Sincerely,

/s/ Kevin M. Ozan
Kevin M. Ozan
Corporate Senior Vice
President – Controller