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April 20, 2009

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

Re: File No. S7-27-08 - Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by US Issuers

Dear Ms. Harmon,

Mayer Hoffman McCann P.C. (MHM) is grateful for the opportunity to provide input on the *Securities and Exchange Commission's (Commission) proposed Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards (IFRS) by US Issuers*.

MHM strongly believes that investors, issuers and the capital markets in the United States benefit from the application of the highest quality accounting standards in the world. We believe that United States Generally Accepted Accounting Principles ("US GAAP") represent the highest quality of financial reporting standards for use in the capital markets. The US GAAP standard-setting process is comprehensive, inclusive, independent and has proven to be reliable, yet flexible enough for the ever-changing capital markets. The adoption of a set of standards which has not been as rigorously vetted could potentially harm investors in the marketplace.

MHM has concerns regarding the Commission's plans to allow U.S. SEC registrants to use IFRS. We believe that a single set of high quality standards applied to both public and private enterprises is needed to avoid the unnecessary burden and confusion that would be created in the United States capital markets. We further believe that private companies in the United States would be unduly harmed by the Commission's proposal. Private companies have historically funded their expansion by utilizing the U.S. capital market system. By mandating the use of IFRS, the Commission would increase the cost of capital for companies wishing to enter the capital markets.

MHM is supportive of the continuing convergence efforts between the FASB and IASB to eliminate material differences between the two standard-setting bodies and ease the



requirements for cross-border filings. MHM believes the following issues are critical considerations for the Commission:

- Significantly different legal and regulatory regimes exist between the United States, the European Union and other countries utilizing IFRS. In addition to the SEC and PCAOB regulators which we discuss in our comment response, audit firms in the United States operate in a much more litigious environment than those firms opining on IFRS financial statements in non-U.S. markets.
- The appearance that the IASB is not independent from political pressure, i.e. various European leaders exerted undo influence on the IASB standard-setting process in the credit crisis of September 2008.

General Comments on the Proposed Roadmap

MHM supports the Commission's milestone of "Improvements in Accounting Standards". We believe this is a critical step in what should be the goal of the IASB and FASB, continued convergence.

MHM supports the Commission's milestone of "Accountability and Funding of the IASC Foundation". We believe that an independent funding source is a critical element of the standard-setting process allowing the standard setters to act in an unbiased and neutral manner. We strongly support a standard-setting process that is unbiased and free of political influence.

MHM does not believe that the Commission's milestone of "Improvement in the Ability to Use Interactive Data for IFRS Reporting" should be part of the Roadmap. MHM supports the use of eXtensible Business Reporting Language (XBRL) as an aid to investors. However, we believe this is a worthy but separate issue.

MHM believes that education and training is a predominant issue regarding the adoption of IFRS in the United States. We believe that unless the Commission is committed to convergence with limited differences, which are well understood by all interested parties, then the cost of adopting IFRS would far outweigh the benefits of a common standard.

MHM does not support the Commission's milestone on "Limited Early Use of IFRS where this would enhance Comparability for the U.S. Investors". Given the severity of the economic crisis and the uncertainty surrounding the adoption of IFRS in the United States, MHM does not believe it would be a prudent use of SEC registrants' resources. MHM understands the burden and costs that SEC registrants with significant foreign operations bear in administering multiple sets of accounting records. We believe that the focus of the Commission's proposed adoption of IFRS for SEC registrants should not be driven by the



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needs of the largest registrants as currently prescribed in Roadmap, but by the needs of the overall market. The current Roadmap and timetable does not reflect the needs of registrants with predominately domestic operations but reflects the interests of the largest global SEC registrants.

MHM does not support the Commission's milestone on "Implementation of the Mandatory Use of IFRS". We believe continued convergence should be the goal of the Commission and not an adoption of IFRS. MHM believes that an adoption approach would not be beneficial. MHM believes international accounting firms would benefit the most from the adoption of IFRS, while registrants would see increases to their cost of regulatory compliance, and investors would suffer from a lack of comparability and relevance of financial information to make informed investment decisions. The current Roadmap, in our opinion, would be similar to the increase of registrant compliance incurred with the adoption of Section 404 of the Sarbanes Oxley Act. We urge the Commission to be prudent and aware of the cost of regulatory compliance with regards to conclusions reached.

We believe that a switch to IFRS based financial statements rather than continued convergence would result in lower quality financial statements as compared to that of the current practice in the United States marketplace. We believe that more principle-based standards would decrease the relevance and comparability of financial reporting for all user groups. We believe that quality would be an issue for SEC registrants due to the lack of equivalent oversight bodies in foreign jurisdictions similar to that of the Commission and the PCAOB.

We believe that the adoption of IFRS would negatively affect competition among accounting firms. We believe that IFRS adoption would further concentrate the market capitalization of international accounting firms. We also are concerned that these international firms would outsource certain accounting and audit functions to emerging markets. We believe that this would negatively affect future employment prospectus of graduates in the United States. We also believe that these outsourcing arrangements may not be available to competing local, regional or national firms due to cost barriers.

MHM does not believe that the adoption of IFRS would have a positive effect on competition or capital formation, nor would it lower the cost of compliance. We are of a firm belief that continued convergence is the best solution. The Commission mandating the adoption of IFRS would only benefit the largest registrants and accounting firms. We believe that any action by the Commission which would create different standards for public and private companies would also increase compliance cost, decrease competition and increase confusion among financial statement users. The Commission's Roadmap notes over 12,000 issuers, yet the Roadmap focuses on less than 150. While we are sympathetic to the many reporting needs of the largest registrants, we believe an adoption of IFRS would harm the majority of registrants, cause confusion in the market place, and impair the competitive landscape of the auditing



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profession by promoting further concentration and allowing the international firms to increase the outsourcing of accounting and audit work to their lower cost foreign affiliates.

We appreciate the opportunity to provide our input to the Commission on this critical subject. We would be pleased to discuss our comments in further detail with the Commission at their convenience.

Sincerely,

Mayer Hoffman McCann P.C.
Mayer Hoffman McCann P.C.