

April 20, 2009

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

Re: File Number S7-27-08, Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers

Dear Ms. Harmon,

BDO Seidman, LLP is pleased to offer comments in response to the Commission's request for comment on the proposed *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers*, ("the Roadmap")

We support the path to global reporting using a single set of high-quality global accounting standards and believe this approach would benefit U.S. investors, as enhanced comparability of financial information is essential to compete in the increasingly growing global capital markets. We generally support the proposed Roadmap, which provides a foundation for converting U.S. issuers to International Financial Reporting Standards ("IFRS"), and our comments on that plan are as follows:

Promulgated Date Certain

We strongly support a promulgated date certain for the mandatory adoption of IFRS because we believe it would stimulate implementation plans for issuers and other constituents as well as press forward progress toward the Milestones set forth in the Roadmap. We believe that a date certain could be set now, contingent on achieving the Milestones.

While we support the timing of the mandatory adoption date, 2014, we believe delaying the decision until 2011 to mandate adoption may not allow enough time for issuers to prepare for, and for other constituents to focus their attention on, changing reporting requirements. Promulgating a date certain for adoption of IFRS would: 1) minimize any reluctance to commit resources and enable issuers to prepare for conversion without the uncertainty of whether mandatory adoption will occur; 2) maximize the cost savings and other benefits of an orderly planned implementation; 3) minimize last minute implementation issues and associated costs; 4) impel the other constituents, such as tax authorities and the regulatory bodies in the banking, insurance and utilities industries, to



promptly address the potential issues that arise from the conversion; and 5) provide adequate time for users to be educated in IFRS.

As mentioned above, we believe that a date certain would also enhance the achievement of the various Milestones set forth in the Roadmap. In that regard, a date certain will:

- Keep the FASB and IASB focused on their joint convergence commitment to develop “as soon as practicable” high-quality standards and spearhead the progress of Milestone #1 - *Improvements in Accounting Standards*. We support the Commission’s urging of the two boards to complete their joint work and ensure that accounting standards are established under a robust, independent process that includes careful consideration of possible alternative approaches and due process.
- Stimulate the progress toward Milestones #2 - *Accountability and Funding of the IASC Foundation*; and prompt the IASC Foundation to secure a stable funding mechanism that is critical to allowing the IASB to function independently and enhance its standard setting process. We agree that economic stability of the IASC Foundation would also enhance the accountability of the Foundation and allow the Monitoring Group to begin its work and provide the forum for interaction between securities regulators and the IASC Foundation Trustees. We believe that progress on this milestone is critical prior to adoption of IFRS for U.S. public companies.
- Promote the progress of Milestone #3 - *Improvement in the Ability to Use Interactive Data for IFRS Reporting*, and encourage the timely continued improvement of XBRL as it relates to the IFRS list of tags.
- Accelerate the progress of Milestone #4 - *Education and Training* and provide the certainty needed for colleges and universities to begin the serious undertaking of preparing students, from general business and accounting knowledge all the way through the Uniform CPA examination. As mentioned above, the uncertainty creates hesitancy to invest resources by all types of organizations. A definite decision now would also augment the preparedness of the accounting professionals and accounting staffs of the issuers.
- Permit tax authorities and regulatory bodies to properly plan for implementation. For example, tax authorities will need to address numerous time consuming issues. Among others, tax forms will need to be changed and, due to e-file requirements, this process could take several years. A date certain will permit proper planning of this process.

Expand Eligibility for Early Use of IFRS



As a part of the Roadmap, Milestone #5 *Limited Early Use of IFRS Where This Would Enhance Comparability for U.S. Investors*, proposed amendments to the rules and regulations and forms that would allow a limited number of U.S. companies to file IFRS financial statements for filings for fiscal years ending on or after December 15, 2009. Under the proposed criteria, the Commission estimates that at least 110 U.S. companies in 34 industries currently would meet these requirements.

We believe that the proposed eligibility requirements for early adoption limit the opportunity to learn, prior to mandatory adoption dates, and do not provide incentives for companies to early adopt. We believe that expanding the eligibility to use IFRS to companies regardless of size would provide a broader preview of how adoption of IFRS would function in the U.S. capital markets by clarifying uncertainties about investor understanding, preparer education, auditor effectiveness, regulatory enforcement, and application and acceptance of professional judgments under IFRS. Limiting the eligibility basically to the largest companies, may not provide a representative view, and precludes comparability for the majority of smaller companies within the applicable industry groups as they would not be permitted to prepare financial statements on the same basis as the larger companies in their industries.

Accordingly, we suggest that the Commission broaden the scope of eligibility for early use to enhance comparability between companies and to prevent a competitive disadvantage to smaller companies. For purposes of simplicity, we recommend including companies that have existing experience with IFRS and/or reside in existing IFRS jurisdictions. Specifically we suggest allowing entities with the following characteristics to be eligible for early adoption:

- Do not qualify as foreign private issuers but have a substantial majority of their operations outside of the U.S.
- Have a substantial number of subsidiaries that are required to file statutory financial statements in accordance with IFRS.
- Have a parent company that files statutory financial statements in accordance with IFRS.
- Are listed on a foreign exchange where many non-U.S. peer companies already prepare financial statements in accordance with IFRS.
- Of all sizes within industry segments or markets in which many non-U.S. peer companies already prepare financial statements in accordance with IFRS. These industries could be determined using the same methodology as the 34 industries previously identified by the staff.



Enhance Comparability as the Staged Timeline for Transition Occurs

We agree that the proposed staged transition timeline for mandatory adoption as proposed in Milestone #7 *Implementation of the Mandatory Use of IFRS* is achievable. The benefits of a staged transition are apparent, considering that the allocation of resources is a primary driver to effect an orderly transition and minimize costs, particularly costs that could arise if all issuers transition at once as a simultaneous adoption by all companies could require companies to compete for the assistance of outside consultants. However, staging the transition by issuer size may also limit comparability within an industry group, resulting in a possible disadvantage to smaller companies. In that regard, the financial statements of smaller companies within an industry group would not be comparable to those of their larger competitors. A methodology for a staged transition based on criteria that is industry focused such as SIC codes (rather than by size) would level the playing field for companies within their industry group.

Other Transition Considerations

First Time Filings

We believe that the first filing in which an eligible issuer should be permitted to report in IFRS should not be limited to an annual report on Form 10-K. Rather, we suggest that the rules permit an adopter of IFRS to file IFRS financial statements with the Commission in a Securities Act or Exchange Act registration statement. This change would allow a registrant filing an IPO to avoid the expense of presenting U. S. GAAP financial statements in the IPO registration statement and then converting to IFRS for subsequent Form 10-Ks.

Form 8-K Reporting

We do not believe that Form 8-K should be amended to require a “forward looking” disclosure relating to an issuer’s consideration of whether it will file IFRS financial statement in the future. If such a disclosure is deemed to be significant to investors, we suggest that such communication be made when a company actually “determines” to make a change to IFRS.

Other Considerations

Alternative Proposals for U.S. GAAP Information

We support proposal A with respect to the disclosure of U.S. GAAP information by U.S. issuers that elect to use IFRS financial statements in their filings. The requirements of IFRS -1 *First-time Adoption of International Financial Reporting Standards (IFRS-1)*, which proposal A would require, adequately address the information needs in the transition



period. We agree that after the initial reconciliation, the issuer should not be required to provide any reconciliation in future filings with the SEC; however, an issuer would not be prevented from voluntarily disclosing such U.S. GAAP information to the market that it believes may be useful for investors.

Audit Quality

We do not believe that the requirement for U.S. issuers to file financial statements prepared in accordance with IFRS will have an adverse effect on audit quality, the availability of audit services, or the concentration of market share among certain audit firms if a well planned implementation is executed. In that regard, we reiterate our belief that a date certain, expanding early participation of IFRS use and rolling out the required adoption dates other than by size, will increase development of expertise more rapidly and evenly throughout all industries and among all service providers.

Market Risk and the Safe Harbor Provision

We believe that the Commission should consider providing a safe harbor provision or other suitable relief regarding the provision of forward-looking disclosures in a footnote to the financial statements in accordance with IFRS 7, *Financial Instruments: Disclosures*, since the current safe harbor provisions exclude information included in financial statements.

Applicability to All Registrants

We believe that all registrants should be included in the implementation plan for IFRS adoption. Investment companies under the Investment Company Act of 1940 and regulated entities such as registered broker-dealers should be required to adopt IFRS, thereby achieving the ultimate goal of a single set of high-quality global accounting standards.

Proposed Article 13 of Regulation S-X

Since proposed Article 13 applies to all registrants using IFRS, including foreign private issuers, we believe it should be addressed in a separate rulemaking proposal. The focus of this proposed rule (including the title) is directed toward U.S. issuers and, as a result, if the proposed new Article 13 is part of the Roadmap, it may be ignored by some foreign private issuers. Additionally, since foreign private issuers have already faced many of these issues, they may be in the best position to comment on the clarity of the new proposed Article 13 and other related issues they may have faced.

* * * * *



BDO Seidman, LLP
Accountants and Consultants

We appreciate this opportunity to express our views to the Commission. We would be pleased to answer any questions the Commission or its staff might have about our comments . Please contact Wendy Hambleton, National Director – SEC Practice, at (312) 616-4657 or via electronic mail at whambleton@bdo.com, or Wayne Kolins, National Director – Assurance Practice, at (212) 885-8595 or via electronic email at wkolins@bdo.com.

Very truly yours,

/s/BDO Seidman, LLP