

Microsoft Corporation  
One Microsoft Way  
Redmond, WA 98052-6399

Tel 425 882 8080  
Fax 425 936 7329  
<http://www.microsoft.com/>



April 20, 2009

Ms. Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

RE: File No. S7-27-08

Dear Ms. Murphy:

Microsoft appreciates the opportunity to comment on the proposed rule, "Roadmap for the Potential Use of Financial Statements Prepared in Accordance With International Financial Reporting Standards by U.S. Issuers". We believe the milestones outlined in the Roadmap are appropriate mechanisms for the Commission to consider in evaluating whether IFRS financial statements should be used by U.S. issuers. Microsoft also supports the proposal that the Office of the Chief Accountant undertake a study and report to the Commission on the implications for investors and other market participants of the implementation of IFRS for U.S. issuers.

The criteria for determining what constitutes sufficient progress against the milestones should be carefully considered. For example, in evaluating improvements in IFRS as set forth in the Memorandum of Understanding (MOU) between the FASB and IASB, reasonable progress should be acceptable as improvements in IFRS will continue over time. Also, we believe the Commission should provide updates on the progress against the milestones at the end of 2009 and 2010. This would assist issuers in evaluating their conversion strategy and project plans.

#### Proposed Dates

Microsoft believes it would be extremely difficult to meet the 2014 implementation date as outlined in the proposed Roadmap. This is based on the fact that the Commission would only determine in 2011 whether to proceed with rules requiring U.S. issuers to prepare financial statements in accordance with IFRS. As outlined in the proposed Roadmap, Microsoft would need to present financial statements for fiscal years 2013, 2014, and 2015 in accordance with IFRS. To have available data for fiscal year 2013, systems and processes would need to be in place to run parallel beginning July 1, 2012. Based on initial evaluations, a condensed implementation time will increase the costs of the implementation as well as potentially decrease the quality and efficiency of the implementation.

In addition to a possible delay in the implementation date, Microsoft believes the Commission should only require the presentation of two years of financial statements at

the date of implementation. Without a date certain, it will be difficult for issuers to gain the necessary support for the required level of detailed implementation. This is especially likely during the difficult economic times most companies are facing.

#### Improvements in Accounting Standards

As noted previously, while Microsoft believes the milestones outlined in the Roadmap are appropriate mechanisms for the Commission to consider in evaluating whether IFRS financial statements should be used by U.S. issuers, criteria for determining what constitutes sufficient progress against the milestones should be carefully considered. An accelerated pace to issue the volume of guidance/standards as outlined in the MOU by 2011 may compromise adequate due process and lead to standards that do not improve financial reporting. Furthermore, Microsoft may not be able to adequately operationalize the volume of standards within the required timeframe. We also believe there is great value in having a period of time in which there is limited changes to the standards to allow for a more efficient conversion.

#### Costs

We have not performed a detailed costs analysis, but believe the costs to transition to IFRS may vary widely depending on several factors including the amount of work to determine accounting differences at a detailed level, implementing system changes to accommodate the accounting differences, maintaining systems for dual reporting under U.S. GAAP and IFRS for multiple years, additional audit fees, and SOX changes. The Roadmap assumes 25% of the convergence work will be completed by outside professional. The total costs could be significantly higher if an issuer has to rely on a higher ratio of outside professionals.

If you have any questions, please contact me at (425) 703-6094.

Sincerely,

Bob Laux  
Senior Director, Financial Accounting and Reporting