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

[via e-mail]

Dear Ms. Murphy:

Thank you to the Commission for inviting comments on the “Proposed Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers.” Please accept this letter of expressing my perspective as a senior accountancy student at Calvin College. This letter, in part, reflects the conclusions that I have drawn over the past two years studying IFRS as part of my honors research.

The underlying premise for the adoption of IFRS for U.S. listed companies has been that a single set of global standards provides for greater comparability. At its face, a single standard certainly would provide for enhanced comparability. IFRS is often called a “principles-based” system to contrast it with the “rules-based” US GAAP. While I agree that principles-based standards are theoretically superior, the inherent increase in professional judgment required in the application of a principles-based system could diminish the comparability of statements prepared under IFRS.

In light of the economic crisis of the last two years, Congress appears increasingly likely to enact both broad and specific changes to the securities market. Such changes could introduce areas of differing accounting treatment that until now would have been comparable between IFRS and US GAAP. While I do not believe that purely hypothetical situations should dictate accounting standards, I only raise the point to show that efforts to cause increased comparability among nation that enact laws to govern unique societies may not achieve the comparability initially conceived. Moreover, I believe that comparability would be dependent on the SEC and Congress restraining themselves from introducing changes to IFRS as could be adopted in the U.S. As the Commission knows, as other countries have adopted IFRS, they have instituted specific treatments for domestic

listed companies. Such actions reduce the comparability that IFRS is supposed to introduce to the global securities markets. As other countries have IFRS with caveats, my concern is that the SEC and Congress will likely introduce special requirements so that U.S. listed companies will be functioning under a United States IFRS that would be different from a French IFRS, a German IFRS or a Japan IFRS. In fact, the very comparability then that IFRS is promised to offer will instead produce incomparable results.

Finally and of greatest concern, what remains unclear is whether IFRS provides the best standard. Besides its broad use, the evidence is scant to suggest that IFRS is theoretically and/or practically superior to US GAAP. As previously indicated, the lack of comparability that could arise from professional judgments would suggest a shortcoming of the international standards. IFRS is used in more countries than US GAAP, but broad use does not inherently make a system superior.

While I continue to be skeptical of the role that IFRS should play for domestic listed companies, I do not mean to suggest that there is not a place for a single set of high quality global standards. It is my strong belief that the converging work currently being done by the FASB and the IASB represents the best opportunity for a high quality global standard. As we have seen since the signing of the Norwalk Agreement, the two Boards have worked together very well to develop converging standards. Based on the way in which some US GAAP standards have moved towards the IFRS model and likewise some IFRS standards have moved towards US GAAP method, I would suggest that we are seeing the development of superior standards. Proverbs 27:17 says, "As iron sharpens iron, so one man sharpens another." I believe that there is good reason to believe that is equally true for standard-setting organizations. While more time-consuming than simply adopting IFRS wholesale, the ongoing convergence work of the FASB and the IASB will generate better, converged standards.

Thank you for your consideration. I would be very pleased to discuss any of my comments with you. Please feel free to contact me at (708) 655-4511 or [edevries@alumni.calvin.edu](mailto:edevries@alumni.calvin.edu).

Kind regards,

Erik J. De Vries