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April 19, 2004

Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549-0609

Ladies and Gentlemen:

**Re: First-time Application of International Financial Reporting Standards (RIN 3235-AI92) ('the proposals')**

Abbey National plc ('Abbey') is pleased to submit this letter in response to the request of the Securities and Exchange Commission (the 'Commission') for comments on Release No.s 33-8397 (and 8397A); 34-49403 (and 49403A); International Series Release No. 1274 (and 1274A); File No. S7-15-04 regarding amendments to Form 20-F to address the first time application of International Financial Reporting Standards ('IFRS') by foreign private issuers. In particular, we welcome the opportunity to comment on certain temporary accommodations included in the Commission's proposals. We believe the proposed relief permitting companies to provide only two, rather than three, years of financial information in the first year of reporting under IFRS is important at a time when the transition to IFRS places significant pressure on a company's reporting functions and a considerable demand on its resources. This pressure has been increased by the International Accounting Standards Board's ('IASB') issuance of important and far-reaching standards during late 2003 and early 2004.

While supporting the Commission's proposals for relief, we would like to draw to the Commission's attention a particular proposal with which we disagree. In Section II.B.2 of the proposals, the Commission has proposed that registrants additionally prepare and present three years of condensed U.S. generally accepted accounting principles ('GAAP') financial information, in a level of detail consistent with that for interim financial statements required by Article 10 of Regulation S-X. Such financial information is substantially greater than the information currently presented in filings in accordance with Items 17 and 18 of Form 20-F. We believe the cost burden and difficulty in preparing such additional information would significantly outweigh any potential benefits to investors. As a result, we do not believe the preparation and presentation of such information would be justified by a cost-benefit analysis.

Our detailed responses to published questions are attached in the Appendix hereto, immediately following a verbatim reproduction in italicised type of the questions included in the proposals.

Yours faithfully,

/s/ Stephen Hester

Stephen Hester  
Chief Operating Officer

## Appendix

Abbey responses to questions in the proposals

### II. Discussion of Proposed Accommodation to Permit Omission of IFRS Financial Statements for the Third Financial Year

#### A. Eligibility Requirements

##### Questions

- *Will the conversion to IFRS for year 2005 make it difficult for issuers to recast year 2003 results accurately? What specific issues will be encountered and how difficult will they be to address? What additional information would first-time adopters need to provide IFRS financial statements for the third-year back that they would not already have in connection with their reconciliation to U.S. GAAP? What other difficulties might the application of IFRS create for first-time adopters? Will first-time adopters in earlier or later years face similar issues? Are the proposed amendments appropriate to address those challenges? If not, what issues are not addressed by the proposed amendments? Should they be addressed, and, if so, how?*

We believe that the conversion to IFRS for year 2005 will make it difficult for issuers to recast year 2003 results accurately. A number of significant changes to IFRS have only recently been finalised or are still in the process of being finalised including, for example, amended standards on financial instruments. Consequently, it would be difficult for issuers to prepare such 2003 results in advance of 2005, at which time the conversion to IFRS will make such additional compilations very difficult.

The most significant impact on financial institutions such as Abbey will likely result from the proposed amendments to IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement'. These proposed amendments are expected to have extensive systems consequences that require the investment of significant resources to meet the deadline for producing 2004 IFRS comparatives. IFRS 1 requires only one year's comparatives, and producing IFRS 2003 comparatives as well would materially add to this already significant burden. Further, certain standards are largely prospective, which would reduce the value of 2003 comparatives. Due to the delay in the issuance of standards, it is expected that the remaining new or amended standards expected prior to 2005 will also be prospective, compounding this reduction in the value of comparatives.

In addition, it is not generally the case that all the information required to prepare general-purpose IFRS financial statements for 2003 will already be available in connection with the reconciliation process to U.S. GAAP that registrants such as Abbey have already undertaken. As a result, we welcome the main thrust of the Commission's proposals and believe this will help ease the transition for issuers.

First-time adopters in 2006 and 2007 will face similar issues to first-time adopters in 2005. However, we would expect that their issues will be of less significance due to the additional time available for revising and developing systems, as well

as the opportunity for them to learn from the implementation experience of companies who adopted IFRS for the first time in 2005.

- *Will any first-time adopters be required by their home country to publish financial statements prepared in accordance with IFRS for the third year back? If so, should we require their inclusion in SEC filings? Why or why not? If a company publishes IFRS financial statements for the third year back but is not required to do so, should we require inclusion of those financial statements in SEC filings?*

Although the matter is not entirely free from doubt, at this stage we anticipate that the forthcoming pan-European regulations governing public offerings, listings and periodic reporting obligations (the Prospectus Directive, Transparency Directive and their respective implementing regulations) will not require issuers to publish financial statements in accordance with IFRS for the third year back. However, we believe that if an issuer were required by their home country to publish financial statements prepared in accordance with IFRS for the third year back, the issuer would also wish to include such information in its SEC filing since this information would already be in the public domain. This would be allowed under the Commission's current proposals and we would not object should the Commission mandate such presentation where the information is already in the public domain.

- *Is the proposed time frame, which provides the accommodation to companies that switch to IFRS for any financial year beginning no later than January 1, 2007, appropriate? Would this date create eligibility concerns for issuers that have a 52-week financial year? If so, how should we address those concerns?*

The proposed time frame appears reasonable from our perspective.

- *Should the proposed accommodation be extended to apply in any other circumstances, such as for issuers that, either voluntarily or pursuant to a home country or other requirement, adopt IFRS for the first time for years after year 2007? Should the accommodation apply for an indefinite period? Are there other circumstances in which the proposed exception to the requirement to present three years of financial statements on a consistent basis should be considered? What are they?*

The proposed accommodation appears reasonable from our perspective for issuers that adopt IFRS for the first time for years up to and including 2007. The Commission may wish to consider as a separate exercise whether any accommodation would be appropriate in other circumstances.

- *Would extending the proposed accommodation to apply to issuers that adopt IFRS for the first time later than year 2007 encourage a broader use of IFRS? Why or why not?*

We believe most companies that adopt IFRS will do so pursuant to a home country or other requirement rather than as a voluntary decision. We therefore do not believe that extending the proposed accommodation to apply to issuers that adopt IFRS for the first time later than year 2007 would encourage a significantly broader use of IFRS.

- *If first-time adopters of IFRS were not able to avail themselves of the proposed accommodation, would they be likely to continue to include in their SEC filings financial statements prepared in accordance with Previous GAAP rather than preparing financial statements prepared in accordance with IFRS for the third financial year? What are the advantages and disadvantages of each approach?*

If the Commission does not provide the proposed accommodation, we believe that companies would be likely to continue to include in their SEC filings financial statements prepared in accordance with Previous GAAP rather than preparing financial statements prepared in accordance with IFRS for the third financial year, due to the significant cost burden and difficulties in recasting 2003 results accurately, as discussed above.

## **B. Primary Financial Statements**

### Questions

- *Is the proposed amendment to permit two years of IFRS financial statements for foreign private issuers adopting IFRS through year 2007, coupled with the permitted exclusion of financial statements prepared on the basis of Previous GAAP, consistent with the best interests of investors? Will investors receive adequate information on which to base investment decisions if two rather than three years of statements of income, changes in shareholders' equity and cash flows are presented on a consistent basis?*

We believe that investors will receive adequate information in the first year of transition to IFRS by being presented with two years of statements of income, changes in shareholders' equity and cash flows on a consistent basis, together with the disclosures required by IFRS 1 'First-time Adoption of International Financial Reporting Standards' which explain the impact of the transition to IFRS. We also believe that any concerns in this respect should be mitigated by the significant narrative and quantitative disclosures European companies will be expected to make regarding the impact of transition to IFRS over the three-year period ending with the publication of their financial statements for 2005, as a result of the endorsement by European regulators of the recommendations of the Committee of European Securities Regulators ('CESR'), as set forth in CESR's release on 'European Regulation on the Application of IFRS in 2005 – Recommendation for Additional Guidance Regarding the Transition to IFRS', or the adoption by European regulators of comparable requirements.

- *Are there other alternatives that should be considered to address the challenges presented by the mandated use of IFRS? What are they?*

We are not aware of any other alternatives that the Commission should consider to address the challenges presented by the mandated use of IFRS.

- *Would the presentation of three years of condensed U.S. GAAP financial information in a level of detail consistent with interim financial statements prepared under Article 10 of Regulation S-X create a significant burden to first-time adopters of IFRS? What would be the difficulties and costs of preparing that information? Would that level of*

*information be useful to investors? What level of information would be useful to investors and not unduly burdensome to prepare?*

The preparation, presentation and audit of three years of condensed U.S. GAAP income statements and balance sheets, in a level of detail consistent with that required by Article 10 of Regulations S-X, would be a significant burden to many issuers on top of the information currently required by Items 17 and 18 of Form 20-F. The transition to IFRS already places significant pressure on a company's reporting functions and a considerable demand on its resources. We believe the additional burden that this requirement represents could put at risk the quality of a company's external reporting. As a result, we believe that the cost burden and difficulty of preparing three years of condensed U.S. GAAP financial information and auditing such financial information would outweigh any potential benefits to investors.

- *If a filing does not contain Previous GAAP financial statements or IFRS financial statements for the third year back, would the proposed requirement for three years of condensed U.S. GAAP information adequately address issues related to the different starting points and reconciling items used in the reconciliations from Previous GAAP to U.S. GAAP and from IFRS to U.S. GAAP?*

We do not believe the proposed requirement would address the comparative information issues sufficiently to warrant the significant burden of producing this data as noted above.

- *Do our proposals contain sufficient guidance on the form and content of the condensed U.S. GAAP financial information to be provided? Should we require financial information beyond income statements and balance sheets from companies that would be required to provide condensed U.S. GAAP information? If so, what further information? Should we require that they include notes to the financial information in addition to the required reconciliation?*

We believe that the preparation of condensed U.S. GAAP financial information, as proposed, would be a significant burden on many issuers. As any additional requirements in connection with condensed U.S. GAAP information would increase this burden, we would not support any such initiatives.

- *Should foreign private issuers that do not use U.S. GAAP to prepare their primary financial statements in their initial registration statements filed with the SEC be required to present the additional condensed U.S. GAAP financial information in addition to the two-year reconciliation to U.S. GAAP? Why or why not? Would this be unduly burdensome?*

We believe the proposed exemption for foreign private issuers filing initial registration statements from filing additional condensed U.S. GAAP financial information should be applied to all foreign private issuers, regardless of whether they are filing initial registration statements, as the preparation of such information is unduly burdensome and provides only limited benefits to investors.

- *Should issuers be prohibited from including Previous GAAP financial statements, financial information and textual discussions based thereon in a registration statement, prospectus or annual report prepared in accordance with Form 20-F?*

We believe that issuers should not be prohibited from including Previous GAAP financial information, whether directly or through incorporation by reference, provided that it is accompanied by appropriate cautionary language. We also believe that existing general guidance as to the nature of the cautionary language, according to the use of Previous GAAP financial information, is sufficient.

- *If we were to prohibit issuers from including Previous GAAP financial statements and financial information in a document, should we require, permit or prohibit the issuer to make reference to other SEC filings or other documents that include such financial statements and information?*

We believe that issuers currently make it clear to investors in their SEC filings the type of GAAP that is used to prepare any specific financial information. To avoid any potential confusion however, we believe that investors may find it helpful for issuers also to make specific references to their other SEC filings that include financial statements and information prepared under Previous GAAP.

- *Is it appropriate to permit issuers to include, incorporate or refer to Previous GAAP financial information and, if so, for what periods and to what extent? If issuers elect to include or incorporate Previous GAAP financial information, should we require operating and financial review and prospects disclosure pursuant to Item 5 of Form 20-F related to that information?*

We believe it is appropriate to permit issuers to include, incorporate or refer to Previous GAAP financial information for any periods provided that the basis on which that financial information has been prepared is disclosed and appropriate cautionary language is included, so as not to be confusing to a reader. Such financial information may be appropriate in certain circumstances, for example to explain trends. Issuers should not be required to provide operating and financial review disclosure related to that information unless such a requirement already exists for the period to which the Previous GAAP financial information relates.

- *Would Previous GAAP financial statements be useful to investors and should issuers be required to provide them? Should inclusion in previous annual reports filed with us on Form 20-F be sufficient in this regard? Would investors be likely to compare information based on IFRS with information based on Previous GAAP? If we require or permit financial statements and other information based on Previous GAAP, where should that information be located and how should it be formatted?*

We do not believe issuers should be required to provide Previous GAAP financial statements in their SEC filing upon initial adoption of IFRS. We believe that previous annual reports filed on Form 20-F, to which investors already have access, should be sufficient.

While investors are likely to compare Previous GAAP and IFRS financial statements, the disclosures required by IFRS 1, together with the information provided in response to the CESR recommendations referred to above or home

country regulatory requirements to the same effect, should be sufficient to explain the impact of the transition to IFRS. Information based on Previous GAAP should be limited to the operating and financial review and should not form part of the financial statements and notes thereof.

- *Is inclusion of Previous GAAP financial information likely to cause investor confusion regarding the basis of accounting used in preparing financial information? How could any confusion or comparison be minimised? Should we provide more specific guidance on the location or substance of disclosure stating that a filing contains financial information based on Previous GAAP that is not comparable to financial information based on IFRS?*

Where the disclosure requirements of IFRS 1 are followed, we believe they, together with the information provided in response to the CESR recommendations referred to above or home country regulatory requirements to the same effect, would provide sufficient information to investors to prevent confusion regarding the basis of accounting used in preparing the financial information. We do not believe the Commission should issue further requirements in this regard. It is the responsibility of issuers to avoid investor confusion by determining the format and content of disclosures and appropriate cautionary language relating to their use of any Previous GAAP financial information.

- *Should Previous GAAP financial information be presented in a “side-by-side” format with IFRS financial information? What additional disclosure would be necessary, if any? Should it be accompanied by a legend stating that the information is not comparable to financial information based on IFRS? If so, where should the legend be located? Would a “side-by-side” format present difficulties relating to disclosure contained in audit reports relating to the different bases of GAAP used? Similarly, how would the notes to the financial statements be presented in a clear manner if different GAAPs were presented therein?*

We believe that Previous GAAP financial information should not be presented in a side-by-side format with IFRS financial information. We believe that such a presentation would be potentially confusing to investors due to the differing bases on which the Previous GAAP financial information and IFRS financial information have been prepared, as well as due to differences in classifications and descriptions. Such a presentation may also leave investors uncertain as to what the underlying numbers are.

- *If issuers include, incorporate or refer to Previous GAAP financial statements or financial information in a disclosure document, should we require specific legends or other language? Should any Previous GAAP information included be presented in a separate section of the disclosure document?*

We believe it should be left to issuers to determine the most appropriate format and content of legends and other cautionary language.

## C. Selected Financial Data

### Questions

- *Should five years of selected financial data based on U.S. GAAP be required in a separate section of the document, rather than with the IFRS selected data?*

Issuers whose primary basis of accounting is not U.S.GAAP currently present selected financial data based on their primary basis of accounting in the same section of their SEC filings as selected financial data based on U.S.GAAP, where there is a material difference between local GAAP and US GAAP in the selected item. The bases of preparation of preparation of this financial data are clearly stated. We therefore believe that a similar approach would be appropriate for selected financial data based on U.S.GAAP and IFRS, rather than requiring the separation of this data into different sections of the document.

- *Should we require selected financial data based on Previous GAAP? If so, where should it be located? Should we expressly prohibit a “side-by-side” disclosure format for selected financial data based on Previous GAAP and IFRS? Conversely, should we permit or require such a disclosure format? Would inclusion of Previous GAAP selected financial data, whether presented in a “side-by-side” format or otherwise, be likely to cause investor confusion regarding the basis of accounting used? If so, how could any confusion or the likelihood of comparison be minimised?*

As noted above, we believe issuers should determine the format of presentation of information, provided that the basis on which the financial information has been prepared is made clear to investors. It is and it should be the responsibility of issuers to avoid investor confusion by determining the format and content of disclosures and appropriate cautionary language.

## D. Operating and Financial Review and Prospects

### Questions

- *Is there additional information that would be useful to investors that should be included in the disclosure of operating and financial review and prospects? If so, what is it?*

We do not believe there is any such additional information, other than the information required in the proposals, which should be disclosed in the operating and financial review and prospects section of the Form 20-F.

- *Should we require that disclosure of operating and financial review and prospects based on Previous GAAP financial information, if included, refer to the reconciliation to U.S. GAAP? If so, why? How is that information likely to benefit investors? Would requiring that information create undue burdens for issuers?*

We do not believe the Commission should prescribe that Previous GAAP operating and financial review and prospects disclosure refer to the reconciliation to U.S. GAAP. We believe it is important that cautionary language should be used but the format and content of such language should be determined by the issuer. For example, it may be appropriate to refer to the reconciliations between Previous GAAP and IFRS required by IFRS 1.

## **E. Other Disclosures**

- *Business and Derivatives Disclosure: comment on whether the proposed requirement, which clarifies that companies preparing their financial statements under IFRS should also base their Item 4 company information and Item 11 derivatives disclosure on IFRS, is sufficient. If the proposal is not sufficient, comment on what additional information related to business operations and the use of derivatives should be required.*

We agree with the current proposal and believe it is sufficient.

- *Disclosure Pursuant to Industry Guides: comment on whether amendments would be appropriate to address the information required under Industry Guide 3 or Industry Guide 6 in the context of first-time adopters changing their basis of accounting to IFRS.*

We do not believe that additional amendments to Form 20-F to address information required under Industry Guide 3 or Industry Guide 6 should be proposed, as we believe that issuers should be able to continue to present all required information under IFRS.

We believe the Commission should permit companies to present only two years' information required by Industry Guide 3 and Industry Guide 6 under IFRS for the transition period, consistent with the presentation of their primary financial statements. Such information is not purely statistical as, for example, assets and liabilities may currently be measured and classified under Previous GAAP rather than U.S. GAAP.

Data required under Industry Guide 3, where measurements and/or classifications may differ from U.S. GAAP, and where it would be an unreasonable burden to restate the years prior to 2004 under IFRS, include financial measures such as Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rates and Interest Differential, Return on Equity and Assets, and Loan Portfolio.

Where Industry Guide disclosures are presented under Previous GAAP, issuers should highlight such disclosure by using appropriate cautionary language. We do not believe investors would gain any significant benefit from companies restating year(s) prior to 2004 under IFRS.

## **F. Financial Statements and Information for Interim Periods for the Transition Year**

### **Questions**

- *To comply with these requirements, issuers may be required to maintain financial statements prepared in accordance with both Previous GAAP and IFRS for interim periods of the Transition Year. Would it be unduly burdensome to maintain books and records in accordance with both Previous GAAP and IFRS during this time? What costs and other burdens will this impose on issuers? Are companies that are mandated to switch to IFRS prohibited from continuing to publish financial statements prepared in accordance with Previous GAAP during their Transition Year? If so, who or what prohibits it?*

We believe that it would be extremely burdensome for foreign private issuers such as Abbey to have to maintain books and records in accordance with both Previous GAAP and IFRS, and parallel running of systems, during the Transition Year. For a multinational company, many of its subsidiaries will already be maintaining books and records under local GAAP, Previous GAAP of the issuer and U.S.GAAP, for a combination of local tax and statutory reporting purposes as well as for consolidation reporting and U.S. reporting. Adding further requirements would undoubtedly be a significant burden.

EU regulated companies will be focussing their efforts in 2004 and 2005 on migrating the preparation and presentation of financial information from Previous GAAP to IFRS. From 2005 onwards, such companies will be concentrating on preparing financial information under IFRS. We do not believe companies should be required to continue to maintain Previous GAAP records, with the accompanying resource requirements, simply because the parent company may file a prospectus with the Commission during 2005.

We believe that the Commission should adopt standards for financial reporting during the Transition Year that enable European issuers to follow the CESR recommendations referred to above or comparable home country regulatory requirements for the presentation of interim financials in the Transition Year, so as to allow European issuers to provide consistent disclosures across markets. For example, CESR has recommended that issuers publishing interim financial information during the Transition Year prepare such information under the same IFRS principles that would be applicable for the annual financial statements at the end of the Transition Year. CESR also recommended that such issuers publish comparable interim financial information prepared in accordance with IFRS for the same period in the year preceding the Transition Year.

We are not aware of any European Union regulations that would prohibit the publication of financial statements prepared in accordance with Previous GAAP during the Transition Year.

- *Will foreign issuers be likely to avoid registering securities under the Securities Act and the Exchange Act during the latter months of a Transition Year and early months of the year after in order to avoid being required to include interim financial statements in a disclosure document, and therefore be required to publish interim financial information in accordance with Previous GAAP? How can we reduce any impediment to foreign companies undertaking registered offerings during a Transition Year while ensuring that investors receive clear, sufficient, up-to-date information?*

Although the U.S. capital markets are a valuable source of funding to many issuers, we believe that some companies may decide to postpone registering their securities in the U.S., or may decide to raise capital in other markets as a substitute source of finance in order to avoid the time and costs burden involved in the production of interim financial statements prepared under Previous GAAP during the Transition Year. We believe that this consequence would be unfortunate. Permitting the presentation of IFRS interim financial statements would reduce this impediment.

- *Are investors likely to be confused with the presentation of interim financial statements using two bases of accounting covering the same periods? If so, what steps could be taken to minimise this confusion?*

We believe that investors may be confused with the presentation of interim financial statements using two bases of accounting covering the same periods. We believe that the most appropriate approach to remove the possibility of such confusion would be not to require the preparation and presentation of Previous GAAP interim financial statements in the Form 20-F.

- *As proposed, an issuer must include in its SEC filings both IFRS financial statements and Previous GAAP financial statements for current and prior year interim periods, when both are available. Should we provide issuers with a choice of whether to provide interim financial statements prepared under Previous GAAP or under IFRS, when both are available?*

We believe issuers should have the choice of providing interim financial statements prepared either under IFRS or Previous GAAP during the transition period, not only when both are available, so that investors are provided with up-to-date information without issuers incurring unnecessary cost and effort.

- *When the Transition Year is year 2004 or 2005, in lieu of requiring both Previous GAAP and available IFRS interim financial statements for two years, would it be preferable to require audited financial statements prepared in accordance with IFRS for the last full financial year, with unaudited IFRS financial statements for interim periods in both years? This approach would not be in technical compliance with IFRS 1, which requires that first-time adopters include one year of comparative information under IFRS. Should we permit audit reports that are qualified as to this provision of IFRS 1? Should we make similar accommodations when an issuer's Transition Year is later than year 2005? Why or why not?*

We believe that the Commission should adopt standards for financial reporting during the Transition Year that enable European issuers to follow the CESR recommendations referred to above or comparable home country regulatory requirements for the presentation of interim financials in the Transition Year, so as to allow European issuers to provide consistent disclosures across markets.

- *When the Transition Year is year 2004 or 2005, would it be appropriate instead to require three years of audited financial statements prepared in accordance with Previous GAAP and unaudited financial statements prepared in accordance with IFRS for interim periods in two years with the same level of disclosure as in annual financial statements? Would issuers be likely to prepare full IFRS financial statements for interim periods? If not, why not? Should an issuer's first set of IFRS financial statements filed with the SEC be audited if they are for two years of interim periods? Why or why not? How would issuers assess and prepare disclosure of their operating and financial review and prospects? What other specific issues would companies face in presenting financial statements under both Previous GAAP and IFRS? How could those issues be addressed? Should we make similar accommodations when an issuer's Transition Year is later than year 2005?*

Please see comment above.

### **III. Disclosures About First-Time Adoption of IFRS**

#### **A. Disclosure about Exceptions to IFRS**

##### Questions

- *Should first-time adopters be required to provide the additional information proposed under Item 5 of Form 20-F? Will this information be useful for investors, and will it be unduly burdensome for issuers to provide? In either case, commenters should provide supporting information relating to the utility of the information (or lack thereof) and the costs and difficulties associated with disclosing this information.*

We believe the discussion of the use of exemptions allowed by IFRS 1, where material, would already be required under the general requirement of paragraph 38 of IFRS 1. We agree with the Commission's proposals to make this explicit.

- *Should issuers be required to disclose more information with respect to the mandatory or elective exceptions? If so, what information would that be, what usefulness would this information have to investors, and what burdens would be imposed on issuers to disclose this information?*

We believe the proposed information to be disclosed is appropriate.

- *Have we given sufficient guidance with respect to the information to be disclosed under the proposed amendment to Item 5? Should there be greater specificity relating to the required information? Are the proposals regarding the information to be provided in Item 5 and in the notes to the primary financial statements about IFRS exceptions sufficiently clear so as to avoid duplicative disclosure? If not, what further clarification is necessary?*

We believe the proposed information to be disclosed is appropriate.

#### **B. Reconciliation from Previous GAAP**

##### Questions

- *Should we specify the form and content of the reconciliation from Previous GAAP to IFRS? For example, should we require that the information included in the reconciliation be similar in form and content to that in the example provided in IG63? Should we require a level of content different from that set out in IG63? If so, what level of information would be appropriate?*

We believe the issuer should be allowed to determine the format of the reconciliations. The form and content will be dependent on the number and complexity of the reconciling items. We agree with the approach in IFRS 1 where the example provided in IG63 is described as being only one way of satisfying the overall requirements.

- *Would providing a reconciliation from Previous GAAP to IFRS that is substantially similar in form and content to the example set forth in IG63 as best practice be*

*unduly burdensome to issuers? If so, what specific difficulties would issuers face in providing that level of information? How could they be addressed?*

We believe the provision of the level of information in IG63 would not be unduly burdensome because such information would be available to issuers as a result of the process of having determined the nature and amount of the reconciling items. However, as noted above, we believe the issuer should determine the format of the reconciliations.

- *Would investors find the reconciliation information as proposed more useful in comparing different registrants than information required under IFRS alone? If not, why not? What additional information should be required, if any?*

We believe that investors would find the reconciliation information as proposed more useful than information required under IFRS alone. We do not believe that any additional information should be required.