

Ms Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549 – 1090
USA

4 October 2007

Dear Ms Morris

Acceptance from foreign private issuers of financial statements prepared in accordance with International Financial Reporting Standards without reconciliation to US GAAP

General Comments

This is the British Bankers' Association's response to the above SEC request for comment. The BBA is the leading UK banking and financial services trade association and acts on behalf of its members on domestic and international issues. Our 225 members are from 60 different countries and collectively provide the full range of banking and financial services. They operate some 130 million personal accounts, contribute £50bn to the economy, and together make up the world's largest international banking centre.

We warmly welcome the Commission's proposal to eliminate the requirement for foreign private issuers to reconcile their financial reports compiled in accordance with IFRS to US GAAP, as an important step towards achieving a common set of high quality global accounting standards. We believe that IFRS has made remarkable progress in recent years and that the SEC should seize the moment and press ahead with the removal of the US GAAP reconciliation requirement for foreign private issuers without delay.

We fully understand the reasoning behind the Commission's view that the reconciliation requirement for financial statements should be removed only for financial statements prepared in accordance with IFRS as published by the IASB and agree that this is the appropriate position in principle. It minimises the prospect of different jurisdictions adopting IFRS on only a partial basis and ensures that investors understand IFRS. Furthermore, it is compatible with the commitment given by the European Union to the IASB and the work being undertaken on consistent application.

However, it must be recognised that listed companies in the European Union are required to prepare financial statements in accordance with IFRS as adopted by the European Union. Currently, IFRS as adopted by the European Union is largely as published by the IASB. There are, however, aspects of the hedge accounting rules in IAS 39 'Financial Instruments' that have so far not been endorsed, although this does not prevent companies fully complying with IFRS as published by the IASB.

In determining that the IASB should develop accounting standards for major European companies the European Union has invested considerable faith in the IASB, a private body outside its jurisdiction; the setting of standards is of significant importance to the well-being of its capital

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