October 18, 2010

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

RE: File Number 4-607

Investor Education

The Committee on Corporate Reporting ("CCR") of Financial Executives International ("FEI") appreciates the opportunity to share its views on topics related to the U.S. Securities and Exchange Commission's ("SEC") ongoing consideration of incorporating International Financial Reporting Standards ("IFRS") into the financial reporting system for U.S. issuers.

FEI is a leading international organization of 15,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior financial executives. CCR is a technical committee of FEI, which reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. This document represents the views of CCR and not necessarily the views of FEI or its members individually.

We support the SEC's efforts on its continued work in analyzing the benefits and costs associated with the use of IFRS by U.S. issuers. CCR continues to believe there are benefits to be derived from the development and use of a single set of globally accepted accounting standards.

Investors want a consistent high quality set of accounting standards and would prefer to have one set of accounting standards for better comparability, even though we understand that in practice, there can be divergence in consistent application of standards. With that said, even within the application of U.S. Generally Accepted Accounting Principles ("U.S. GAAP") and IFRS there is not always consistency, and it is likely that there will be less consistency under IFRS due to different versions being implemented by countries globally. It is not apparent to us that investors have a clear preference between the two standards although U.S. investors currently buy stocks of companies using U.S. GAAP and IFRS.

As preparers and issuers of financial statements, we interface with analysts/investors on at least a quarterly basis. We have unique insight into analyst/investor needs, as we are the primary contact when the analyst community feels it is not receiving sufficient information regarding the company's financial

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position and results. We have the following observations about the current status of analysts/investors' preparedness for IFRS:

1. U.S. investors' current knowledge of IFRS and preparedness for incorporation of IFRS into the financial reporting system for U.S. issuers.

U.S. investors are clearly not prepared to analyze financial statements under IFRS and do not appear to be making much effort in education to that end. An exception is a small subset of analysts who follow multi-national companies with foreign competitors, some of which are on IFRS, and thus follow both U.S. GAAP and IFRS companies. Otherwise given their more pressing everyday needs investors, analysts and many U.S. listed companies are looking for a date certain and a transition pathway before moving forward on an IFRS conversion project. The date certain will propel investors to expend energy on education efforts. Several of the larger accounting firms have extensive IFRS publications based on the European listed companies that converted to IFRS in 2005. We expect that the firms will continue to enhance the training material as auditors and U.S. companies obtain more experience in interpreting and applying IFRS. However, the working analysts and institutional investors who perform day-to-day analytics and with whom we interface seem to have had minimal education on IFRS. We feel these working analysts and institutional investors may be the last to educate themselves, as they will only be exposed to IFRS after the companies they monitor have applied the new standards in preparing their financial statements. Until market-wide application occurs, analysts will continue to base their models (which sometimes use non-GAAP measures) on U.S. GAAP. Many individual investors have difficulty understanding U.S. GAAP and will likely need even more education to appreciate the change.

A more pressing concern at this is point is that extensive education will need to occur on the major proposed changes associated with the convergence standards before considering the impacts of IFRS conversion. Even if the effective date does not occur for several years, once the final standards are issued, we expect that institutional investors and analysts will want to understand the impact of the new standards to begin making changes to their models. This will assist the investor community to get educated about the changes well before the effective date. In addition investors tend to focus on key information that may or may not change upon a conversion to IFRS. Therefore, investors who focus their energies in analyzing a company will understand how IFRS impacts that company or industry and may not need to be IFRS experts.

2. How investors educate themselves on changes in accounting standards and the timeliness of such education.

Investor education should occur in conjunction with the education of other stakeholders, including analysts and other financial statements users. Once a date certain is announced, educational institutions, industry groups, accounting firms and others will respond to the need to have IFRS education available. We also expect that the complexities inherent in applying accounting standards will likely result in analysts relying heavily on companies' investor relations departments with the periods up to and including transition. This presents a tremendous challenge. There are large populations to be educated, and the time frame should not be underestimated.

3. The extent of, logistics for, and estimated time necessary to undertake changes to improve investor understanding of IFRS and the related education process to ensure investors have a sufficient understanding of IFRS prior to potential incorporation.

We feel that a timeframe of five years from the date of a definitive rule mandating IFRS for all U.S. registered companies would be reasonable. This takes into consideration both the system changes that would be required as well as the number of comparative periods required for SEC filings.

This timeframe would also be impacted by progress made and effective dates on the ongoing major joint convergence projects: Revenue Recognition, Financial Instruments, Leases, Fair Value Measurement Insurance Contracts and Financial Statement Presentation. If substantial convergence has been made and these standards are effective, then the most significant differences between the two sets of standards would have been eliminated although we cannot predict whether new differences will arise given the current projects on the FASB and IFRS agendas. We also believe that the timing of the effective dates for the convergence projects is important.

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We appreciate the Commission's consideration of these comments. We are available to discuss these matters at your convenience. Please contact Lorraine Malonza at 973.765.1047 or lmalonza@financialexecutives.org with any questions.

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Chairman, Committee on Corporate Reporting
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Attachments
Comment letters in response to SEC Roadmap filed on April 20, 2009:

FEI CCR and COT comment letter here
Corporate Roundtable on International Financial Reporting (CRIFR) comment letter here