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Ms Nancy M Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
WASHINGTON
DC 20549-1090

By email: rule-comments@sec.gov

13 November 2007

Dear Ms Morris

FILE NUMBER S7-20-07: SECURITIES AND EXCHANGE COMMISSION – CONCEPT RELEASE ON ALLOWING U.S. ISSUERS TO PREPARE FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Institute of Chartered Accountants of Scotland's Accounting Standards Committee welcomes the opportunity to comment on the above concept release.

The Institute is the first incorporated professional accountancy body in the world. The Institute's Charter requires the Accounting Standards Committee to act primarily in the public interest, and our responses to consultations are therefore intended to place the general public interest first. Our Charter also requires us to represent our members' views and protect their interests, but in the rare cases where these are at odds with the public interest, it is the public interest which must be paramount.

ICAS is committed to the promotion of principles-based financial reporting standards and the development of a single set of global standards. Such standards are vital to the smooth functioning of the international capital markets. Standards that are firmly based on principles rather than being rules-driven are capable of being applied consistently to a wide variety of situations and result in financial information that is clear and understandable.

We therefore strongly support the intention to permit U.S. issuers to prepare their financial statements in accordance with International Financial Reporting Standards. This is a welcome step that will be of immediate benefit to US companies who wish to raise capital in more than one country, and in the longer term will be beneficial to the convergence process by assisting in the acceptance and understanding of IFRS in the USA.

While permitting US companies to use IFRS is an important development, the continuing importance of convergence between IFRS and US GAAP should not be overlooked. It is vital to continue to work towards achieving a single set of global accounting standards, and ensuring that these standards are truly principles-based.

For global financial reporting standards to be workable, the principles of the standards need to be consistently applied and interpreted throughout the world. Therefore national versions of standards or interpretations should not be developed.

We would urge the SEC to refer any issues arising directly to IFRIC rather than developing their own national interim guidance. The SEC should continue to work with other securities regulators to move towards a global approach to the enforcement of IFRSs.

I hope our comments are useful to you, please do not hesitate to contact me if you wish to discuss any of them.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Amy Hutchinson', with a long horizontal flourish extending to the right.

AMY HUTCHINSON
Assistant Director, Accounting and Auditing
Secretary to the Accounting Standards Committee