April 20, 2009

Ms. Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Via e-mail to: rule-comments@sec.gov

Re: File Reference No. S7-27-08

Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers

Dear Ms. Harmon,

I am pleased to submit to the Commission my comments on the subject Roadmap.

Benefits of the Development and Use of a Single Set of Globally-Accepted Accounting Standards

Back in 2003, I was a member of the working group tasked by the Asian Bankers' Association to prepare a report on the status of IFRS Convergence among Asia-Pacific Economic Cooperation (APEC) countries. The key raison d'etres for a single set of globally-accepted accounting standards we highlighted in such report still hold true today even from the viewpoint of U.S. investors, U.S. issuers and U.S. markets, and are enumerated again below:

1. *Investors are increasingly making capital allocation decisions based on global opportunities. The globalization of capital markets has fueled the demand for a common worldwide accounting framework. The use of different domestic accounting standards makes it more difficult and costly for an investor to compare opportunities and make informed financial decisions.*

2. *Differences in accounting standards impose additional costs on companies that must prepare financial information based on multiple reporting models in order to raise capital in different markets, as well as create potential confusion as to which are the "real numbers".*

3. *Without a common accounting framework, free and open trade and investment will never attain their optimum level of implementation.*

The adoption of IFRS by U.S. issuers would undoubtedly be a welcome development, not only in APEC, but in the rest of the world.

Milestones and Timing of the Proposed IFRS Reporting Roadmap

The December 15, 2014 target cut-off date for the required use of IFRS by large accelerated filers appears to be reasonable. The same goes for the subsequent staged target cut-off dates for other filers. In general, these timelines appear to be comparable with the implementation experience of other jurisdictions which have already adopted IFRS.

The above position, however, is based on the presumption that the Commission will be able to arrive at a final decision to adopt IFRS by 2011. If due to unforeseen circumstances the decision date will have to be moved to a later period, adjustment should also be made to the initial implementation cut-off date to preserve the three-year lead time in the original target date.

Adoption of a Multi-Framework Accounting Standard Mindset

In jurisdictions with less-developed local accounting standards, the adoption of IFRS practically resulted in the total abandonment of such standards. Unfortunately, this is not the case of the U.S. As the Commission has also acknowledged, in certain areas, IFRS is not as developed as U.S. GAAP. From a practically point of view, therefore, the U.S. adoption of IFRS would not mean the total abandonment of U.S. GAAP for issuer reporting. It would simply mean migrating from a single-framework accounting standard mindset (i.e. U.S. GAAP only) to a multi-framework one (i.e. IFRS as the primary framework and U.S. GAAP as the secondary framework). This would mean that, in certain areas where IFRS appears to be "silent" or less-developed, or the adoption of IFRS would make the financial statements misleading, U.S. GAAP shall still serve as a "fall-back" accounting framework.

In view of the foregoing, the Commission may have to consider introducing the concept of "GAAP Hierarchy" in its rulemaking verbage in the post-IFRS adoption era, and probably define the same as:

The accounting framework hierarchy an issuer must comply with in the preparation of the financial statements, which is as follows:

1. *IFRS as issued by the IASB*
2. *US GAAP as issued by the FASB*
3. *Other acceptable accounting framework*

The Need to Codify IFRS

The FASB has taken accounting rulemaking and interpretation into another dimension with its on-going codification project. The IASB will have to play catch-up with the FASB in this area for the long-term benefit of IFRS users.

The Commission may have to consider implementing initiatives to push the IASB to also codify IFRS. The most effective and efficient way to do this is to just probably use the existing US GAAP codification framework and replace the text with its IFRS equivalent whenever there is a "gap" between the two accounting frameworks.

IFRS Education and Training for Local Accounting Firms

The transition to IFRS will initially put local accounting firms at a technical disadvantage vis-à-vis global firms because, as early as now, the latter already have access to a ready pool of IFRS-qualified professionals through its other global offices.

To ensure that the playing field for IFRS-using clients will more or less remain level, the Commission may have to consider acting as the spearhead in implementing education and training initiatives (preferably with the assistance of other government agencies and/or non-profit organizations) to ensure that local accounting firms shall be at par with global firms in terms of IFRS technical skill and resources by the time IFRS is fully-adopted by US issuers.

I truly hope that you would favorably consider my comments.

Sincerely yours,

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