



25 February 2008

Carlo Comporti
CESR Secretary General
The Committee of European Securities Regulators
11-13 avenue de Friedland
75008 Paris
France

Dear Carlo Comporti

Joint ICMA/SIFMA Response to CESR Advice on the Equivalence of Chinese, Japanese and US GAAPs (Ref.: CESR/07-761)

The International Capital Market Association (**ICMA**) and the Securities Industry and Financial Markets Association (**SIFMA**) are pleased to comment on the Consultation Paper Ref.: CESR/07-761 (the **Consultation Paper**).

ICMA is the self-regulatory organisation and trade association representing constituents and practitioners in the international capital market worldwide. ICMA's members are located in 49 countries across the globe, including all the world's main financial centres, and currently number some 400 firms in total.

SIFMA brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA represents its members locally and globally. It has offices in London, New York, Washington DC, and its sister Association, the Asia Securities Industry and Financial Markets Association (ASIFMA), is based in Hong Kong.

We have discussed the Consultation Paper with our member firms and their advisors. We do not make any technical or otherwise detailed comments but would instead like to emphasise that we:

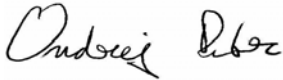
- Support the idea of recognition of accounting standards: third country issuers should not have to restate their financial statements in accordance with IFRS if those statements have been prepared in accordance with a third country GAAP considered equivalent to those standards.
- Endorse the approach to accounting equivalence taken by the European Commission and CESR: where the decision on equivalence is based on an holistic assessment of investors' ability to make similar investment decisions irrespective of any remaining differences in presentation and measurement, providing that such differences are being actively addressed.
- Support the concrete application of that approach to US, Japanese and Chinese GAAP: we agree that US GAAP is equivalent to IFRS, that Japanese GAAP should also be considered equivalent providing the ASBJ meets the convergence objectives set out in the Tokyo Agreement on a timely basis, and that the Commission should postpone its final decision on Chinese GAAP pending more information on the concrete implementation of the new Chinese standards.

- Look forward to the CESR's consultation on the equivalence of certain other third country GAAPs (i.e. Canada and South Korea) in the near future.

We have seen the draft response to the Consultation Paper prepared by the London Investment Banking Association (**LIBA**) and fully endorse their conclusions.

We would be pleased to discuss our position with you in more detail at your convenience.

Yours sincerely



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