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The Secretary  
Ontario Securities Commission  
20 Queen St. West. 23<sup>rd</sup> floor

RE: Burden Reduction

I understand that the OSC is conducting a review to identify areas of regulatory burden of little value. I would like to propose that the requirement that private company registrants file financial statements under International Financial Reporting Standards (IFRS), as opposed to using Accounting Standards for Private Enterprises, be eliminated.

Why? Let me start with a story.

My former accountant has hundreds of clients. The first year that our firm was required to file under IFRS, at the final meeting with my accountant when I sign the statements, I asked him "So how many clients do you have that use IFRS?" His answer: "I'm looking at him." So later that day, I called a contact at another Exempt Market Dealer and told him that story. He said that he would call his accountant and get back to me. The result? The same. Then, this year, my accountant had to fire me as he couldn't justify keeping up with IFRS changes for one client. So I was forced to move firms and my cost almost doubled.

So why do we have this ridiculous situation? It's very simple, The accounting profession, who are the experts in accounting standards (which I think that you will agree is not the purview of the OSC or the CSA), states that private companies in Canada are required to use Accounting Standards for Private Enterprises (ASPE), but may choose to use International

Financial Reporting Standards (IFRS). As IFRS accounting is considerably more complex and costly, it is only used by a very small number of private companies, mainly firms that are planning to go public, as public companies are required to use IFRS Accounting Standards, private companies that are acquired by public companies, and **registrants of the securities commissions**. In this regard, the securities commissions/ CSA, by requiring that private company registrants use IFRS Accounting Standards, are completely out of step with the entire Canadian economy.

Does this mandatory use of IFRS Accounting Standards provide any benefit for the significant additional cost and time required? Clearly the answer is no. In fact, the numbers in my financial statements are exactly the same. All that changes is the addition of numerous notes that come with IFRS.

At conferences, I have also asked numerous representatives of various securities commissions to justify the use of IFRS and have yet to receive a satisfactory explanation.

So I respectfully request that the requirement for use of IFRS Accounting Standards be eliminated for private company registrants and that the securities commissions and CSA leave the choice of accounting standards up to the accounting profession, where such decisions belong.

This would appear to be an easy "win" for your efforts in burden reduction.

Sincerely yours,

