

April 13, 2008

To the: Alberta Securities Commission
Autorité des Marchés Financiers
British Columbia Securities Commission
Ontario Securities Commission

c/o Carla-Marie Hait
Chief Accountant, Corporate Finance
British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2

- and -

Sylvie Anctil-Bavas
Chef Comptable
Autorité des Marchés Financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, PQ H4Z 1G3

Re: CSA Concept Paper 52-402 Possible Change to the Securities Rules Relating to International Financial Reporting Standards

Dear Sirs/Mesdames:

We are writing in response to the request for comments on CSA Concept Paper 52-402 *Possible Change to the Securities Rules Relating to International Financial Reporting Standards*.

Brookfield Asset Management Inc. is a global asset manager focused on property, power and infrastructure assets with approximately US\$95 billion of assets under management. We own and manage large portfolios of premier office properties and hydroelectric power generation facilities as well as transmission and timberland operations. We conduct operations in North and South America, Europe and Australia.

Brookfield is listed on the Toronto Stock Exchange, New York Stock Exchange and NYSE Euronext and is both a Canadian reporting issuer and SEC registrant. Brookfield consolidates a number of subsidiaries who are required to meet a diverse set of public financial statement reporting requirements. Our subsidiaries include companies that are both Canadian reporting issuers and SEC registrants. The financial statement reporting requirements of our subsidiaries include International Financial Reporting Standards (IFRS), generally accepted accounting principles (GAAP) in Canada and the United States of America in addition to other basis of GAAP. It is with this background that we are responding to CSA Concept Paper 52-402.

We support both Canada's and the international capital market's acceptance of IFRS as issued by the International Accounting Standards Board. We believe that IFRS provides a sound basis for relevant, high quality, clear and consistent reporting that will serve well both the needs of shareholders and other market participants.



Our comments to each of the questions in CSA Concept Paper 52-402 are provided below.

Question 1 – Do you agree we should allow a domestic issuer to adopt IFRS-IASB for a financial year beginning on or after January 1, 2009? If not, why?

Yes, we agree that domestic issuers should be allowed to adopt IFRS for a financial year beginning on or after January 1, 2009.

Question 2 – Are there additional factors, not discussed in [CSA Concept Paper 52-402], to consider in deciding whether to allow a domestic issuer to adopt IFRS-IASB before 2011?

We believe that the factors discussed in CSA Concept Paper 52-402 are representative of the considerations pertinent in deciding whether to allow a domestic issuer to adopt IFRS before 2011. In addition, we believe that for certain industries and issuers IFRS would result in higher quality and more relevant information than is currently provided to the benefit of shareholders and other market participants. Specifically, the ability of an issuer to record capital assets and investment property at fair value, where such measurement can occur reliably, provides more meaningful and relevant information than financial statements predicated on historical cost. We believe that fair value is particularly meaningful for the Canadian capital markets given the high levels of capital investment required for certain of the industries dominant in Canada. Early adoption will allow issuers who will benefit more than others to make the extra effort to do so if they believe it is appropriate for the users of their financial statements.

Furthermore, allowing a flexible period of time over which issuers can adopt IFRS will allow issuers to better manage the process, will permit certain issuers who adopt later to benefit from the experience of issuers who adopt earlier and will moderate the strain on the resources of professional advisors.

Finally, we do not believe that having issuers adopt at differing times will create undue confusion or lack of comparability as issuers will presumably facilitate users' understanding of the conversion through supplemental disclosures and management's discussion and analysis.

Question 3 – Do you agree we should not allow a SEC issuer to use US GAAP for financial years beginning on or after January 1, 2009, with the exception that a SEC issuer filing US GAAP financial statements in Canada for its most recent financial year ending on or before December 31, 2008, could continue doing so until 2013? If not, why do you disagree, and how, if at all would you modify existing rules?

Please see our comment relating to question 5.

Question 4 – Are there additional factors, not discussed in [CSA Concept Paper 52-402], to consider in deciding whether to allow a SEC issuer to use US GAAP?

Please see our comment relating to question 5.

Question 5 – Is the proposed transitional period of five years from 2009 to 2013 appropriate?

No, the proposed transitional period of five years from 2009 to 2013 is not appropriate. A requirement obligating SEC issuers currently preparing US GAAP financial statements to transition to IFRS for purposes of their Canadian continuous disclosure obligations is not appropriate until the

SEC decides if it will allow US domestic registrants to prepare their financial statements in accordance with IFRS and establishes a date for which to make the transition.

The Canadian capital markets include a number of Canadian reporting issuers who are also domestic SEC registrants. Specifically, one of our subsidiaries, Brookfield Homes Corporation (Brookfield Homes) is a domestic SEC registrant that is listed on the New York Stock Exchange and files its annual financial statements prepared in accordance with US GAAP with the SEC under form 10-K. Brookfield Homes remains a Canadian reporting issuer by virtue of its creation as a spin-off from Brookfield to shareholders certain of whom are Canadian residents but does not have a Canadian stock exchange listing. Brookfield Homes files its 10-K on SEDAR for the benefit of its Canadian shareholders and to meet its continuing obligations under Canadian securities law.

These Canadian reporting issuers, including Brookfield Homes, who are also domestic SEC registrants, are required by US securities law to prepare their statutory financial statements in accordance with US GAAP. CSA Concept Paper 52-402 is unclear as to whether the CSA staff's tentative conclusion not to allow a SEC issuer after 2013 to prepare its financial statements in accordance with US GAAP would require domestic SEC issuers to prepare separate financial statements in accordance with IFRS or whether financial statements prepared in accordance with US GAAP and reconciled to IFRS would be sufficient. We believe that the additional costs and complexity that would be borne by issuers under either scenario would not be in the interests of the issuer, its shareholders or other market participants as long as such an issuer continues to be required by US securities law to prepare their statutory financial statements in accordance with US GAAP.

We recommend that the final rule include an exemption allowing domestic SEC registrants that are domestic filers to continue to prepare their financial statements in accordance with US GAAP and to not have to reconcile to IFRS for Canadian regulatory purposes. Such an exemption should be made available until the SEC decides if it will allow domestic filers to prepare their financial statements in accordance with IFRS and establishes a date for which to make the transition or until 2013, whichever is later.

Question 6 – Do you agree that we should require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB and require an audit report on such annual financial statements to refer to IFRS-IASB. If not, why?

We do not have any comments in respect of this question.

Question 7 – Are there additional factors, not discussed in [CSA Concept Paper 52-402], to consider in deciding whether securities rules should refer to IFRS-IASB rather than Canadian GAAP.

We do not believe there are significant additional factors pertinent to deciding whether securities rules should refer to IFRS-IASB rather than Canadian GAAP.

If you have any questions regarding our comments to each of the questions of CSA Concept Paper 52-402 please call me at (416) 359-8601.

Sincerely,

Brian Lawson
Managing Partner and Chief Financial Officer

