



CANADIAN BANKERS ASSOCIATION

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April 15, 2008

Ms. Carla-Marie Hait
Chief Accountant,
British Columbia Securities Commission

and

Ms. Sylvie Anctil-Bavas
Chef Comptable
Autorité des marchés financiers

Dear Ms. Hait and Ms. Anctil-Bavas:

We thank you for providing us with the opportunity to comment on the Canadian Securities Administrators' (CSA) concept paper "52-402: Possible changes to securities rules relating to International Financial Reporting Standards (IFRS).

In response to the request for comments of the above-mentioned paper, our position is outlined below for your consideration.

Use of IFRS by domestic issuers before January 1, 2011

The Canadian banking industry supports the global convergence of accounting standards, as it increases the overall comparability of financial statements. However, while Canadian subsidiaries of foreign banks that prepare financial statements under IFRS are supportive of the early adoption of IFRS, in general, many of our members would not support this option. Our members have several concerns in this regard.

First of all, many of our members are concerned that the option of early adoption of IFRS would create confusion for the users of their financial statements. The current marketplace is in the early stages of digesting the implementation of the Basel II Framework and is not ready to interpret and comprehend yet another reporting framework. Therefore, early adoption of IFRS at this time would raise further complexities in understanding financial statements.

In addition, many of our members fear that the early adoption of IFRS into the Canadian reporting environment will only raise questions that non-early adopters are not yet ready to answer. Having to deal with these questions will take away the focus from the IFRS conversion effort, making it less efficient and more costly.

Finally, it is also important to note that an environment of multiple GAAPs (current Canadian GAAP, US GAAP and IFRS) would eliminate the benefit of increased comparability.

Reference to "IFRS-IASB" instead of "Canadian GAAP"

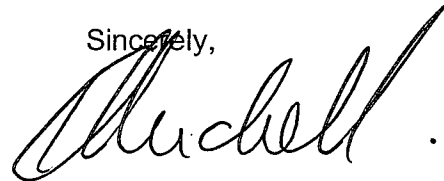
At this time, we do not support the proposed change in the CSA legislation to require a domestic issuer to prepare its financial statements in accordance with "IFRS-IASB" and require an audit report on such annual financial statements to refer to IFRS-IASB. We believe that the CSA should follow the recommendation of the Canadian Accounting Standards Board (AcSB) and continue to refer to "Canadian GAAP" until the AcSB has determined the right terminology. If the terminology is not modified concurrently by all regulators, unnecessary confusion will be created.

The AcSB has said that Canadian GAAP will cease to exist for publicly accountable enterprises and will be replaced with IFRS. Therefore, a reference to Canadian GAAP does not seem appropriate in the long term for these companies. For small and medium-sized companies, on the other hand, some form of Canadian GAAP will likely continue to exist. We will need a way to differentiate "Canadian GAAP" for publicly accountable enterprises (i.e. IFRS) versus "Canadian GAAP" for small and medium-sized non-public companies. It should be clear when reading an entity's financial statements if they are compliant with IFRS as issued by the International Accounting Standards Board (IASB).

We believe it would be appropriate to change references to GAAP in the legislation once terminology and the definition of Canadian GAAP is finalized. This will minimize confusion as to whether an entity's financial statements are compliant with IFRS as issued by the IASB.

If you have any questions concerning our comments, we would be pleased to discuss them.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchell", with a long, sweeping flourish extending upwards and to the right.