

April 15, 2008

The Canadian Securities Administrators
c/o

Ms. Carla-Marie Hait
Chief Accountant
Corporate Finance
British Columbia Securities Commission
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Ms. Sylvie Anctil-Bavas
Chef comptable
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Dear Ms. Hait and Ms. Anctil-Bavas:

CSA Concept Paper 52-402, Possible Changes to Securities Rules Relating to International Financial Reporting Standards

We are pleased to comment on the CSA Concept Paper 52-402, Possible Changes to Securities Rules Relating to International Financial Reporting Standards. Our responses to your questions are set out below.

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?*

We agree. See our response to question 6 regarding the use of IFRS-IASB versus the version of IFRS incorporated into Canadian GAAP.

2. *Are there additional factors, not discussed in this paper, to consider in deciding whether to allow a domestic issuer to adopt IFRS-IASB before 2011?*

We have not identified any additional factors.

3. *Do you agree we should not allow an SEC issuer to use US GAAP for financial years beginning on or after January 1, 2009 with the exception that an 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?*

No. Given the diverse characteristics of the Canadian economy, we are of the view that Canadian companies and their management are in the best position to determine the basis of accounting that is the most relevant to their shareholders and other stakeholders. We

therefore do not support any lessening of the existing right of Canadian SEC registrants to apply US GAAP. We take this position notwithstanding the growing sentiment in the US to at least permit, and perhaps require, domestic issuers to use IFRS. We believe it will take at least five years for the US to adopt IFRS, probably much longer. Until that occurs, we expect that certain Canadian companies will continue to be motivated to use US GAAP.

Continuing to allow SEC registrants to use US GAAP would mean that three different sets of GAAP would be available for use by domestic issuers during the period up to 2011 (existing Canadian GAAP, IFRS and US GAAP). We acknowledge that this may introduce additional costs and complexities into the Canadian financial reporting system. However, we would be inclined to attribute any costs and complexities primarily to the changeover of Canadian companies from existing Canadian GAAP to IFRS rather than from the use of US GAAP by SEC registrants. We believe that the Canadian markets have accepted the use of US GAAP by Canadian companies with equanimity.

The CSA paper raises the issue of whether permitting the use of US GAAP might undermine the goal of achieving broad adoption of IFRS in Canada. We do not think that continued acceptance of US GAAP in Canada for SEC registrants would be perceived as a lessening of support for IFRS. Rather, it simply acknowledges that for a limited class of Canadian companies in special circumstances, US GAAP provides the more meaningful basis of reporting.

Consistent with our view that Canadian SEC registrants should be able to apply US GAAP without reconciliation beyond 2008, we recommend that National Instrument 52-107 be revised to eliminate the requirement to reconcile US GAAP to Canadian GAAP in the first two sets of the issuer's annual financial statements after the changeover to US GAAP. If National Policy 52-107 is retained as is, a Canadian SEC registrant with a calendar year end that elects to adopt US GAAP in 2010 would be required to include a reconciliation to Canadian GAAP for 2010 and 2011 in their annual financial statements. Complying with Canadian GAAP in 2011 would require the registrant to adopt IFRS and provide all of the disclosures required for this. We suspect that for most issuers this would constitute a de facto prohibition against adopting US GAAP.

4. *Are there additional factors, not discussed in this paper, to consider in deciding whether to allow an SEC issuer to use US GAAP?*

We have not identified any additional factors.

5. *Is the proposed transitional period of five years from 2009 to 2013 appropriate?*

No. We believe that an SEC registrant should be permitted to use US GAAP until the US adopts IFRS.

6. *Do you agree that we should require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB rather than Canadian GAAP?*

We believe preparing financial statements in accordance with IFRS-IASB would be the ideal but question whether it is appropriate to require this now. IFRS in Canada was “sold” to constituents on the basis that it would be part of Canadian GAAP and thus subject to oversight by the AcSB. It is not clear to us whether there would have been the same level of acceptance for IFRS absent this feature of the arrangement. At a minimum, it would seem to us that requiring compliance with IFRS-IASB would be appropriate only if other Canadian regulators also believe that this basis of reporting is more suitable than reporting under Canadian GAAP. There are other factors to consider as well. For example, many Canadian companies have entered into contracts that require compliance with and reporting under Canadian GAAP. As the Concept Paper points out, French translation also is an issue. All things considered, we recommend that the CSA consider instituting a “dual reporting” framework as a preliminary step toward reporting compliance with IFRS-IASB. Under a dual reporting framework, companies and auditors would explicitly report compliance with both Canadian GAAP and IFRS-IASB in financial statements and audit reports.

7. *Are there additional factors, not discussed in this paper, to consider in deciding whether securities rules should refer to IFRS-IASB rather than Canadian GAAP?*

See our response to question 6.

We would be pleased to respond to any questions you might have. Questions can be addressed to R.J. Muter (robert.j.muter@ca.pwc.com or 416-941-8243) or G.W. Cetkovski (gord.cetkovski@ca.pwc.com or 416-814-5716).

Yours very truly,

(signed) PricewaterhouseCoopers LLP