

April 16, 2008

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

Sylvie Anctil-Bavas
Chef comptable
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

Dear Ms. Hait and Anctil-Bavas

Re: CSA Concept Paper 52-402

I am submitting the following comments on behalf of the members of Nexia Canada listed at the end of this letter. We are a network of CA firms located across Canada, servicing a wide range of clients - from small, owner managed enterprises to medium-sized, public companies.

In this response we have addressed the questions specifically posed in the concept paper.

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?

We agree that domestic issuers should be allowed to adopt IFRS-IASB prior to January 1, 2011. We note, however, that there may be a limited number of domestic issuers already preparing financial statements under IFRS-IASB. It would appear logical to allow these issuers to adopt IFRS-IASB as their sole reporting basis prior to January 1, 2009. In addition, issuers commencing operations in 2008 may wish to adopt IFRS-IASB from inception.

Question 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 note that Canadian generally accepted auditing standards ("GAAS") are expected to be converged with International Standards on Auditing ("ISAs") for periods beginning on or

after December 15, 2009. We are unclear whether the early adoption of IFRS-IASB would require the audit to be conducted under ISAs or under current Canadian GAAS.

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?

We support the conclusion reached. In the absence of this rule, certain issuers may consider that the adoption US GAAP as a suitable alternative to IFRS-IASB. This would be inconsistent with the approach taken by the Accounting Standards Board who have determined that IFRS-IASB is the most appropriate basis of reporting for domestic issuers. Certain issuers who are already reporting under US GAAP may have valid reasons for wishing to continue reporting on this basis, however we it would seem illogical for issuers currently reporting under Canadian GAAP to adopt US GAAP given the removal of the GAAP reconciliation requirement.

Question 4 - Are there additional factors, not discussed in this paper, to consider in deciding whether to allow a SEC issuer to use US GAAP?

We note that the recent announcement from the SEC that they will only require one year of comparative information for issuers adopting IFRS-IASB will make the adoption process more straightforward than some issuers were initially expecting.

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

We would support using a shorter period of time since this would reduce the time when issuers are potentially using different GAAP bases thereby reducing comparability between issuers financial statements. This benefit appears to us, to outweigh the arguments for a longer period.

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?

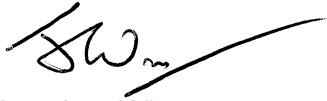
We support the conclusion reached, whilst we accept that Canadian GAAP and IFRS-IASB will be identical after January 1, 2011, we agree that allowing issuers to use these terms interchangeably would potentially result in confusion amongst financial statement users.

Question 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?

We have not identified any additional factors.

We trust that you will find our comments useful and constructive. If you wish to discuss them further, please do not hesitate to contact me.

Yours very truly,

A handwritten signature in black ink, appearing to read 'JW', with a long, sweeping horizontal line extending to the right.

Jonathan Winn
Associate Partner
Hudson LLP on behalf
of Nexia Canada comprising:

Davidson & Company LLP
Hudson LLP
Zeifmans LLP
DMCT LLP
Nexia Freidman LLP
Lyle Tilley Davidson