

December 24, 2009

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
New Brunswick Securities Commission
Nova Scotia Securities Commission
Prince Edward Island Securities Office
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
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-and-

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Dear Sirs / Mesdames,

Re: Comments on Proposed National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* ("NI 52-107" or the "Instrument") and related consequential amendments.

We submit the following comments in response the Notice and Request for Comments published on September 25, 2009 ((2009) 32 OSCB 7581) on NI 52-107 and the related consequential amendments.

Thank you for the opportunity to comment on these proposals. This letter represents the general comments of certain individual members of our securities practice group (and not those of the firm generally or any client of the firm) and are submitted without prejudice to any position taken or that may be taken by our firm on its own behalf or on behalf of any client.

Preparation of Financial Statements. With respect to the preparation of financial statements under the Instrument, in our view the Instrument should permit statements to be prepared in accordance with Canadian GAAP for publicly accountable enterprises or IFRS. The Instrument contemplates that a statement must be made of compliance with IFRS and that the information be prepared in accordance with the recognition, measurement and disclosure requirements in IFRS for the information. However, section 3.2 (a) specifically refers only to statements being prepared “in accordance with Canadian GAAP applicable to publicly accountable enterprises.” While we appreciate that Canadian GAAP applicable to publicly accountable enterprises will be equivalent to IFRS, the terminology may pose problems for issuers that are also reporting in the United States or other foreign jurisdictions and need to confirm that their financial statements have been prepared in accordance with IFRS. We note in this respect that the Instrument explicitly sets out an option to report in Canadian GAAP applicable to publicly accountable enterprises or IFRS in section 3.11 (in respect of acceptable accountable principles for acquisition statements) and sets out an option for acquisition statements to be audited in accordance with Canadian GAAP or International Standards on Auditing, notwithstanding that Canadian GAAS applicable to publicly accountable enterprises and IFRS, and Canadian GAAS and International Standards on Auditing would be functionally equivalent once IFRS is adopted in Canada. We recommend that the same options be made explicitly available under the principal reporting requirements of the Instrument as well so that it is clear for issuers having to report in and/or rely on exemptions in other jurisdictions that reporting under NI 52-107 is in compliance with IFRS International Standards on Auditing as the CICA terminology may not be recognized.

Requirements for Acquisition Statements. We agree with the approach proposed by CSA jurisdictions other than Ontario to permit acquisition statements to be prepared in accordance with Canadian GAAP applicable to private enterprises. We agree that for acquisitions of private entities, the time and cost involved in preparing acquisition statements in accordance with accounting standards applicable to public entities would not be justified by any added benefit to investors since the *pro forma* statements should provide adequate information regarding the entity on a post-acquisition basis. In our view, a requirement for private company acquisitions statements to be prepared in accordance with public entity standards would be prohibitive, and would make it more difficult for public and private entities that are contemplating making acquisitions or being acquired, without adding any significant additional disclosure value for investors.

Financial Statements for Registrants. We understand that under the Instrument all registrants will be required to prepare financial statements in accordance with

Canadian GAAP for publicly accountable enterprises. We believe that this will impose an overly onerous burden on registrants who are not “publicly accountable enterprises,” particularly smaller sized registrants who may not have the resources to have statements prepared in accordance with public company standards. We believe that some consideration should be given to different types of registrants in light of their ability be able to bear the time and expense necessary to comply with such requirements.

Thank you for the opportunity to comment on these proposals.

Regards,

Simon A. Romano
Ramandeep K. Grewal