

July 28, 2011

Minister Francois Barion
Ministry of Economy, Finance and Employment
139, Rue de Bercy
75572 Paris Cedex 12

Dear Mr. Minister:

The Financial Instruments Reporting and Convergence Alliance (“FIRCA”) is a coalition of nine trade organizations—American Council of Life Insurers, CRE Finance Council, Council of Federal Home Loan Banks, National Association of Real Estate Investment Trusts, Group of North American Insurance Enterprises, Mortgage Bankers Association, Property Casualty Insurance Association of America, The Financial Services Roundtable, The Real Estate Roundtable, and The U.S. Chamber of Commerce— representing all sectors of the economy and areas of the financial services arena in the United States and around the world. FIRCA recognizes that accurate and transparent financial reporting is a cornerstone of our capital markets in the United States and globally. Businesses are both preparers and *users* of financial reports for investment, managerial and competitive reasons.

The mission of FIRCA is:

- To support the adoption of joint International Accounting Standards Board (“IASB”)-Financial Accounting Standards Board (“FASB”) international high quality robust accounting standards. These standards should be decision-useful, reliable, and relevant. Additionally, these standards should present financial information in a manner that is reflective of the business operations of an entity. Appropriately crafted standards should transparently provide information and not drive economic activity.
- To assist standard setters in providing a wide range of input to insure the proper consideration of business operations and potential unintended consequences in the development and implementation of accounting standards.
- Recognizing that the financial crisis is global in scope and magnitude, to work with standard setters and decision makers to insure that these projects

are conducted jointly to insure a comprehensive response to financial reporting policies.

Accordingly, we have been supportive of the convergence projects and have collectively and individually worked with the standard setters to improve the proposals. The convergence projects represent crucial concrete steps in creating the financial reporting system for the next generation. With the completion of the process, stakeholders must have full faith and confidence that accounting standards transparently and accurately report economic activity.

While much has been done, these projects remain incomplete and more time is needed in order to create standards that accurately report decision useful information to all stakeholders and will stand the test of time. From the start FIRCA has stated that these projects are complicated and must be done properly, rather than rushed to meet a deadline. These concerns are unabated and we believe that the current pace of completing the convergence projects by the end of this year is not possible, and if the deadline is met, the standards will be subpar, potentially harming investors and businesses in a fragile economic environment.

In order to develop world class high quality accounting standards, we respectfully request that the G-20 Finance Ministers consider the following process enhancements:

- 1) Establishment of a new realistic deadline for the completion of the convergence projects;
- 2) Full re-exposure of the convergence projects to insure appropriate input by all stakeholders;
- 3) Setting of realistic effective dates for standards, only after the proposals have been thoroughly field tested and identified problems resolved; and
- 4) Establishment of a firm post-implementation process to review the standards after a specific time period to identify adverse unintended consequences and correct them.

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We believe that this proposal will allow for thoughtful deliberation and dialogue to create truly global accounting standards that can withstand the test of these trying economic times.

Sincerely,

American Council of Life Insurers
Council of Federal Home Loan Banks
CRE Finance Council
Group of North American Insurance Enterprises
Mortgage Bankers Association
National Association of Real Estate Investment Trusts
Property Casualty Insurers Association of America
The Financial Services Roundtable
The Real Estate Roundtable
U.S. Chamber of Commerce