

Canadian Coalition for
GOOD GOVERNANCE

THE VOICE OF THE SHAREHOLDER

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Sent via e-mail

Dear CSA Members,

On behalf of the 46 members of the Canadian Coalition for Good Governance who manage over \$1.3 trillion of assets, we thank you for the opportunity to comment on the **CSA Concept Paper 52-402 Possible changes to securities rules relating to International Financial Reporting Standards**.

CCGG in principle agrees that convergence to IFRS is in the best interests of all investors in the long run. Where appropriate, we are including our responses to the particular questions raised in the concept paper.

1. Do you agree we should allow a domestic issuer to adopt IFRS-IASB for a financial year beginning or ending on or after January 1, 2009? If not, why?

We agree it would be prudent to permit Canadian issuers to voluntarily choose an earlier changeover to IFRS, as early as years beginning on or after January 2009. Although it would increase the analytical requirements of investors for the interim period, and it may well be selected as a method primarily by those parties whose financial picture may look more attractive under IFRS, we believe our members will not be unduly misled or disadvantaged by this.

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?

As of December 31, 2007, 26% of the companies listed on the S&P/TSX Composite were cross-listed on the NYSE representing over 67% of the total market capitalization of the S&P/TSX Composite. From a capital market perspective, these values are quite significant. While we understand the SEC will not require financial statements prepared using IFRS to be reconciled back to US GAAP, there has been no firm decision for the US to move from US GAAP to the IFRS standard. Until such time that the US adopts IFRS, we believe the current rules should remain in force. Generally, Canadian companies report in US GAAP in order to satisfy their investor community who require US GAAP to effectively analyze the company and its peers' performance. It is likely that Canadian issuers would be reluctant to move to IFRS if their peer group, to which they are compared and with whom they compete with for capital, continue to report in US GAAP.

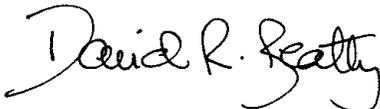
Therefore cross-listed Canadian issuers filing their financial statements using US GAAP should be able to continue to do so past the 2013 deadline contemplated in the Concept Paper.

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?

CCGG concurs to a preference in referring to the new securities rules to IFRS-IASB rather than Canadian GAAP. It is clear that a change has occurred and that our accounting has converged to the emerging global standard.

Thank you once again for the opportunity to provide our comments on Concept Paper 52-402. Should you require further information or clarification, please contact Paul Schneider (paul_schneider@ccgg.ca or 416.868.3582) at the Coalition.

Yours truly,



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