

CORPORATE CONTROL & FINANCE
Hans H. van Barneveld
General Manager

Ms. Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

21 February 2007

**Re: File No. S7-24-06
Release NOS. 33-8762; 34-54976
Management's report on internal control over financial reporting**

Dear Ms. Morris:

We fully support the Commission's objective to improve the efficiency and effectiveness of the internal control reporting process for all companies and appreciate the opportunity to respond to the Commission's proposed interpretive guidance for management regarding its evaluation of internal control over financial reporting.

The proposed guidance published on December 20, 2006 contains several specific requests for comment. In the enclosure we provide the Commission with feedback on those questions most relevant for ING Groep N.V.

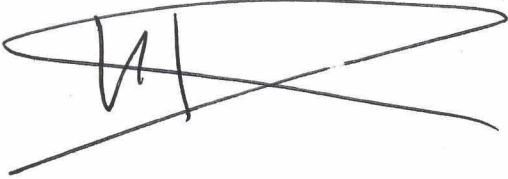
Of the feedback enclosed we would particularly like to draw the Commission's attention to the one topic that concerns us the most, being the disproportionately wide scope of Sarbanes-Oxley Section 404 activities of foreign issuers reporting under IFRS standards compared to U.S. filers subject to U.S. GAAP standards. IFRS disclosures cover all of the required U.S. GAAP disclosure information, in addition to other required disclosures. Footnote 47 of the proposed guidance clarifies that management of foreign private issuers should plan and conduct their evaluation process based on their primary financial statements (i.e. home country GAAP or IFRS) rather than on the reconciliation to U.S. GAAP. Reporting under IFRS implies, however, that certain disclosures not required by U.S. GAAP are part of the financial statements, and, as such, part of the scope for the Section 404 evaluation process.

A clear example is the quantitative and qualitative disclosure on the nature, extent and management of the market, credit, operational and insurance risks based on IFRS 7. There are no similar U.S. GAAP footnote disclosures. These disclosures are forward-looking in nature and do not reconcile to balance sheet or income statement information presented in the financial statements. Additionally, for U.S. issuers, these disclosures are likely to be included in MD&A if provided. However, because these disclosures must be made within the financial statements, they will be subject to Section 404 procedures under existing guidance.

We would suggest that the Commission create a provision in the interpretive guideline that allows for the exclusion of non-U.S. GAAP disclosures from the evaluation process to eliminate the difference in Section 404 efforts between the U.S. filers and foreign filers that use IFRS as their accounting standard as much as possible.

At your convenience, we are very willing to discuss this letter. In that case, please contact Jan van Thienen, project manager SOX404 ING Group, at +31 20 5415498.

Yours sincerely,



Enclosure

III. Proposed interpretive guidance (pages 49-51)

Request for comment on the proposed interpretive guidance.

1. Will the proposed interpretive guidance be helpful to management in completing its annual evaluation process? Does the proposed guidance allow for management to conduct an efficient and effective evaluation? If not, why not?

The guidance moves in the right direction by mandating a more flexible, principles - and risk-based approach. This guidance is helpful in our pursuit to reduce the effort required for management testing whilst maintaining the effectiveness of the control environment. For some areas however we think that further clarification may be needed and detailed examples will be required (we refer to question 2 for more details).

2. Are there particular areas within the proposed interpretive guidance where further clarification is needed? Is yes, what clarification is necessary?

The guidance would be enhanced through the provision of specific examples that would aid greater definition of the standards required. Key areas where this would be of benefit include:

Ongoing monitoring

In section 2 it states that evidence about the effective operation of controls may be obtained from direct-testing of controls and on-going monitoring activities depending on the assessed ICFR. For lower risk areas, management may therefore conclude that evidence from on-going monitoring is sufficient and that no direct testing is required. Further specific examples that demonstrate what evidential matter would be needed in case management relies upon ongoing monitoring would be welcomed.

Self Assessment

There is a variety of self assessment techniques used across industry as a way for management to discharge its responsibility and gain assurance around the ICFR. There is however no widely used standard industry definition of self assessment. Further guidance would be welcomed on the definition of self assessment and on what type of evidence must be maintained in order to facilitate reliance by external auditors. Preferably this would include specific examples of the types of testing that a self assessment approach would imply and when self assessment would be acceptable to the SEC.

Updating evidence

The guidance states that in each subsequent year the evidence necessary to reasonably support the assessment will only need to be updated from the prior year rather than recreated anew. This approach could significantly reduce management effort in later years. Further guidance would be welcomed on the level of reliance that could be placed upon prior year results. Specific examples would also be welcomed that demonstrate the circumstances when updating prior year results should be acceptable for management.

Identifying risks and evaluation of deficiencies regarding 'qualitative' disclosures
Parts of the information in the annual accounts tend to be more 'qualitative' of nature. The information in the risk management disclosures based on IFRS 7 is a clear example of this. In this disclosure some data is presented in percentages and contains prospective information. To determine the breath and depth of SOX404 efforts and to evaluate the weight of deficiencies the materiality level used for the quantitative information in the annual account is very often not suitable. Some guidance and examples on how to deal with the materiality concept for the qualitative and prospective information in the annual accounts would be highly appreciated.

3. Are there aspects of management's annual evaluation process that have not been addressed by the proposed interpretive guidance that commenters believe should be addressed by the Commission? If so, what are those areas and what type of guidance would be beneficial?

The disproportionate wide scope of SOX404 for foreign private issuers reporting under IFRS standards compared to U.S. filers subject to U.S. GAAP standards has not been addressed by the Commission (also refer to the introductory text of our comment and question 10).

Also we would like the Commission to address the role of rotational testing within management's evaluation. Specifically, if the PCAOB does not allow external auditors to rotate tests of controls, is there still a place for rotation within management's evaluation? If so, should rotation only be used for processes designated as low-risk? What is the appropriate length of the rotation cycle?

4. Do the topics addressed in the existing staff guidance (May 2005 Staff Guidance and Frequently Asked Questions (revised October 6, 2004)) continue to be relevant or should such guidance be retracted? If yes, which topics should be kept or retracted?

No comment.

5. Will the proposed guidance require unnecessary changes to evaluation processes that companies have already established? If yes, please describe.

In our view this is not the case as the basic principles of SOX404 will not change. The proposed guidance provides flexibility and the opportunity to enhance activities by focussing on the major risks.

6. Considering the PCAOB's proposed new auditing standards, An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements and Considering and Using the Work of Others In an Audit, are there any areas of incompatibility that limit the effectiveness or efficiency of an evaluation conducted in accordance with the proposed guidance? If so, what are those areas and how would you propose to resolve the incompatibility?

In our view it would be helpful if the Commission would elaborate on 'using the work of others' in the proposed guidance for management. Providing more clarity on how

certain management decisions would affect the audit on the effectiveness of company's ICFR would support management to find optimal and cost effective solutions.

7. Are there any definitions included in the proposed interpretive guidance that are confusing or inappropriate and how would you change the definitions so identified?

No comment.

8. Will the guidance for disclosures about material weaknesses result in sufficient information to investors and if not, how would you change the guidance?

No comment.

9. Should the guidance be issued as an interpretation or should it, or any part, be codified as a Commission rule?

Issuance as an interpretation would be sufficient.

10. Are there any considerations unique to the evaluation of ICFR by a foreign private issuer that should be addressed in the guidance? If yes, what are they?

We want to express our concerns regarding the disproportionate wide scope of SOX404 activities of foreign issuers reporting under IFRS standards compared to US filers liable to U.S. GAAP. We believe that those disclosures that are unique to local GAAP or IFRS and not required by US GAAP should be specifically excluded by the Commission from Section 404 procedures.

IV. Proposed Rule Amendments (pages 51 and 52; 66 – 70)

Requested comment on the proposal:

- To amend the rules to state that an evaluation conducted in accordance with the interpretive guidance would satisfy the annual management evaluation.
- To revise the rule to require the auditor to express an opinion directly on the effectiveness of the ICFR (only express a single opinion; excluding an opinion on management's assessment)
- Clarifying the circumstances in which it is expected that the accountant cannot express an opinion.

11. Should compliance with the interpretive guidance, if issued in final form, be voluntary, as proposed, or mandatory?

Voluntary compliance will suffice, however, the Commission should be clear on the requirements if management would decide to deviate from the interpretive guidance.

12. Is it necessary or useful to amend the rules if the proposed interpretive guidance is issued in final form, or are rule revisions unnecessary?

No comment.

13. Should the rules be amended in a different manner in view of the proposed interpretive guidance?

No comment.

14. Is it appropriate to provide the proposed assurances in Rules 13a-15 and 15d-15 that an evaluation conducted in accordance with the interpretive guidance will satisfy the evaluation requirement in the rules?

It is appropriate to clarify that an evaluation conducted in accordance with the interpretive guidance will satisfy the evaluation requirement in the rules. In the past, companies have had a tendency to revert to the PCAOB Auditing Standard No. 2 in the absence of guidance for management. These assurances will prevent companies from feeling a need to comply with PCAOB evaluation requirements which are intended for external auditors.

15. Does the proposed revision offer too much or too little assurance to management that it is conducting a satisfactory evaluation if it complies with the interpretive guidance?

We are satisfied with the amount of assurance this proposed guideline gives.

16. Are the proposed revisions to Exchange Act Rules 13a-15(c) and 15d-15(c) sufficiently clear that management can conduct its evaluation using methods that differ from our interpretive guidance?

It is sufficiently clear.

17. Do the proposed revisions to Rules 1-02(a)(2) and 2-02(f) of Regulation S-X effectively communicate the auditor's responsibility? Would another formulation better convey the auditor's role with respect to management's assessment and/or the auditor's reporting obligation?

No comment.

18. Should we consider changes to other definitions or rules in light of these proposed revisions?

No comment.

19. The proposed revision to Rule 2-02(f) highlights that disclaimers by the auditor would only be appropriate in the rare circumstance of a scope limitation. Does this adequately convey the narrow circumstances under which an auditor may disclaim an opinion under our proposed rule? Would another formulation provide better guidance to auditors?

No comment.

V. Paperwork reduction act (page 54)

VI. Cost-Benefit Analysis (Pages 54 – 59)

Request for comments on how the proposed guidance and the proposed AS5 will affect the expenditure of effort and division of labour, between the managers and employees of public companies and their audit firms.

In General we expect that the proposed new guidance and the proposed AS5 will enable us to reach compliancy in a more efficient way, resulting in lower costs and a more sensible division of labour and tasks.

VII. Consideration of Impact on the Economy, Burden on Competition and Promotion of Efficiency, Competition and Capital Formation (Pages 60 – 65)

Request for comments on:

- whether the proposed guidance and rule would stimulate new entry into the market of supply of services to assist managers in the evaluation of ICFR;
- the potential impact of the proposed amendments on the US economy
- whether the proposed amendments would promote efficiency, competition and capital formation.

Being able to rationalise compliance efforts and costs will certainly lower the competitive disadvantage that a foreign lister now has compared to non-US listed competitors.

VIII. Initial Regulatory Flexibility Analysis (page 62-66)

Requested comments regarding:

- The number of small entity issuers that may be affected by the proposed extension;
- The existence or nature of the potential impact of the proposed amendments on small entity issuers discussed in the analysis; and
- How to quantify the impact of the proposed amendments.

No comment.