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September 24, 2007

**VIA EMAIL**

Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-9303

**RE: Acceptance from Foreign Private Issuers of Financial Statements Prepared in Accordance with International Financial Reporting Standards Without Reconciliation to U.S. GAAP (File Number S7-13-07); Concept Release on Allowing U.S. Issuers to Prepare Financial Statements in Accordance with International Financial Reporting Standards (File Number S7-20-07)**

Dear Ms. Morris:

Citigroup Inc. ("Citigroup") is pleased to have this opportunity to comment on the proposal to allow foreign private issuers to submit statements in accordance with International Financial Reporting Standards (IFRS) without reconciliation to U.S. GAAP (File Number S7-13-07, the "IFRS Proposal") and the concept release on allowing U.S. issuers to prepare financial statements in accordance with IFRS (File Number S7-20-07, the "Concept Release", and collectively with the IFRS Proposal, the "Proposals"). Citigroup strongly supports the Proposals. We have also participated in a number of trade association comment letters responding to the IFRS Proposals, and agree with their support for the SEC in this matter.<sup>1</sup> We also feel that our view in relation to the specific questions within the IFRS Proposal has been adequately addressed by those efforts and so have not repeated them here.

We believe the Proposals represent important steps in creating a regulatory framework to accommodate the increasingly global nature of the capital markets. As SEC staff have recently remarked, with more companies raising capital outside of their home countries, "it is important that our regulatory system not only continue to keep pace, but also facilitate the benefits of a global market place."<sup>2</sup> Key trends, including

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<sup>1</sup> These supportive responses include letters from the International Swaps and Derivatives Association, the London Investment Banking Association, the American Bankers Association, Financial Executives International, and the Securities Industry and Financial Markets Association.

<sup>2</sup> Speech by Erik R. Sirri, Director, Division of Market Regulation, "Trading Foreign Shares", March 1, 2007.

investors' desire to seek investment outside of their countries' borders, increased access to global capital markets through electronic trading platforms, and the continued pace of cross-border mergers of exchanges, highlight the need for continued regulatory reform to ensure a more seamless transatlantic marketplace.

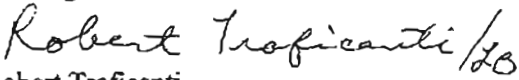
Consistency among country-specific regulatory standards is a key method of removing unnecessary regulatory obstacles to the emergence of a global marketplace. Differing regulatory requirements among different jurisdictions can impose needless costs and burdens on market intermediaries, issuers and ultimately investors. Consistency among those requirements where such differentiation is unnecessary can act as an effective method of removing regulatory obstacles to the increasing globalization of the capital markets.

In this regard, the SEC is to be commended for its Proposals, which we hope will ultimately bring about convergence in the area of financial reporting standards. We believe that a single set of globally accepted accounting standards will facilitate cross-border access by companies seeking to raise capital, while ensuring adequate disclosure for investors. The SEC has rightly recognized "that IFRS as published by the IASB represent a single set of high-quality accounting standards"<sup>3</sup> and that ultimately investors will benefit with the use of a single set of accounting standards instead of a multiplicity of country-specific requirements.

In order to best meet the objective of facilitating the formation of a global marketplace, the IFRS Proposal should be implemented as soon as practicable, without delaying its implementation pending increased convergence between IFRS and GAAP. In addition, we agree with the SEC that the requirement to reconcile foreign private issuer financial statements with GAAP should only be dropped for companies that comply with International Account Standards as issued by the International Accounting Standards Board (IASB), not local variations. However potential problems could arise where local "jurisdictional" IFRS standards already exist and diverge from "pure" IFRS as published by the IASB. In such circumstances we would urge the SEC to be as pragmatic as possible. One option may be to consider accepting a reconciliation from such jurisdictional IFRS to pure IFRS as published by the IASB, as opposed to requiring a full reconciliation to U.S. GAAP. Finally, we also respectfully urge the SEC to work closely with the existing IASB framework, and not to create U.S. specific interpretations of IFRS.

Citigroup appreciates the opportunity to comment on the Proposals. If you have any questions, please contact me at 212.559.7721 or Omer Oztan at 212.816.2101.

Best regards,

  
Robert Traficanti  
Vice President and Deputy Controller

<sup>3</sup> IFRS Proposal, p. 28.