

**All respondents:**

1. a) Tell us about any issues or concerns you have with current U.S. GAAP accounting standards as those standards apply to private company financial statements.  
b) Are those issues or concerns confined to one or more specific standards, or are they more systemic?  
c) Do you believe that those issues or concerns are largely confined to private companies, or are they broader?
2. What short-term and/or long-term actions do you believe are necessary to address those issues or concerns?
3. a) To what extent, if any, would an SEC requirement for public companies to adopt IFRS at a date certain affect your answers above? Why?  
b) To what extent, if any, would other outside factors affect your answers above? Which factors and why?
4. Is there any other input that you'd like to convey to the panel?
5. Do these responses represent your individual views or are they submitted to represent the views of the organization with which you are associated?

**Responses:**

1. a) Current U.S. GAAP accounting standards focus mainly on the needs of public companies, which are completely different from the needs of private companies. In biological terms, they are two very different species – it's difficult to compare the anatomy of an elephant to the anatomy of an insect. Similarly, you cannot compare the market cap of a global, publicly-traded company like Microsoft to the market cap of your local, privately-held textile manufacturer. Essentially, there are certain standards that private companies are currently required to follow that may not be economical or cost-effective, and these standards do not necessarily provide valuable information about private companies to the end users of their financial statements.  
b) The issues concern the more recent standards issued within the past few years (i.e. uncertainty in income taxes, fair value, derivatives, consolidations of variable interest entities, etc.)  
c) I believe these issues or concerns may also be the issues and concerns for smaller public companies.
  2. I believe there should be a separate set of standards for private companies.
  3. a) A number of private companies compete in the global market place or have international parent companies, vendors, suppliers, customers, etc. Therefore, it may be wise to wait until the "date certain" that public companies are required to adopt IFRS before creating a separate set of standards for private companies. The reason being there is some uncertainty about the effect the SEC's requirement will have on public companies, the global economy, and the domestic economy.
- b) No comment
4. No further comment at this time.
  5. These are my individual views, but I am certain my colleagues have similar views.