

March 9, 2004

Mr. Donald T. Nicolaisen
Chief Accountant
Office of the Chief Accountant
Securities and Exchange Commission
450 5th Street Northwest
Washington, D.C. 20549

RE: Application of FIN 46-R to Foreign Private Issuers

Dear Mr. Nicolaisen,

We are writing to confirm recent discussions between representatives of the AICPA International Practices Task Force (the Task Force) and the SEC staff with respect to the effective date of FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, an interpretation of ARB No. 51 (FIN 46-R).

The dates by which entities must implement FIN 46-R (as well as other standards and interpretations) vary depending on the entity's year-end and frequency of interim reporting. U.S. domestic companies that have public reporting requirements are required to prepare quarterly financial statements in addition to annual financial statements. Non-U.S. domiciled entities that are considered "foreign private issuers" under the SEC's rules and regulations are not required to file quarterly U.S. GAAP financial information. These entities may or may not prepare U.S. GAAP information on an interim basis. When such information is prepared, it may be for a semi-annual versus quarterly period.

In December 2003, the FASB issued FIN 46-R. As noted by Task Force representatives in discussions with the SEC staff, the effective date for certain foreign private issuers of FIN 46-R is earlier than that under the original FIN 46. In issuing FIN 46-R, the FASB staff has advised representatives of the Task Force that the intent was not to accelerate the application of either FIN 46 or FIN 46-R, but rather to provide for a deferral of FIN 46 and FIN 46-R in order to allow enterprises sufficient time to understand and implement the guidance. This is consistent with the discussion in paragraphs D62-D65 and paragraph E49 of FIN 46-R.

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Consistent with the FASB's intent, it is our understanding that the SEC staff does not object to the conclusion that FIN 46-R should not be required to be applied at a date earlier than the original FIN 46 and that foreign private issuers would be required to apply FIN 46-R as set forth in the Appendix to this letter. The Appendix to this letter also provides disclosures that a foreign private issuer should provide relating to the adoption of FIN 46 or FIN 46-R.

Please confirm that the SEC staff would not object to the effective dates of FIN 46-R for foreign private issuers as set forth in the Appendix to this letter. If you have any questions regarding this request please feel free to contact either of us.

Sincerely,

Robert J. Kueppers

Chair
AICPA Executive Committee
Center for Public Company Audit Firms

Jay P. Hartig

Chair
AICPA SEC Regulations Committee
Center for Public Company Audit Firms

cc: Carol Stacey, Chief Accountant, Division of Corporation Finance
Craig Olinger, Deputy Chief Accountant, Division of Corporation Finance
Robert Herz, Chair, Financial Accounting Standards Board
Lawrence Smith, Director - Technical Application and Implementation Activities,
Financial Accounting Standards Board

Appendix

Enterprises are permitted, but not required, to adopt FIN 46-R early. Enterprises with variable interests in variable interest entities created after January 31, 2003, are required to apply FIN 46 or FIN 46-R immediately. The following table summarizes the mandatory effective dates of FIN 46-R for enterprises with variable interests in variable interest entities created **before February 1, 2003**, given certain year-end and frequency of reporting assumptions:

Year-end	U.S GAAP Reporting Periods	FIN 46-R Effectiveness	
		SPE's	Non-SPE's
Dec 31	Annual	Periods beginning Jan/1/04 +	Periods ending Dec/31/04 #
	Semi-annual	Periods ending Dec/31/03 #	Periods ending Jun/30/04 #
	Semi-annual *	Periods beginning Jan/1/04 +	Periods ending Jun/30/04 #
	Quarterly	Periods ending Dec/31/03 #	Periods ending Mar/31/04 #
Mar 31	Annual	Periods beginning Apr/1/04 +	Periods beginning Apr/1/04 +
	Semi-annual	Periods ending Mar/31/04 #	Periods ending Mar/31/04 #
	Semi-annual *	Periods beginning Apr/1/04 +	Periods beginning Apr/1/04 +
	Quarterly	Periods ending Dec/31/03 #	Periods ending Mar/31/04 #
Jun 30	Annual	Periods ending Jun/30/04 #	Periods ending Jun/30/04 #
	Semi-annual	Periods ending Dec/31/03 #	Periods ending Jun/30/04 #
	Semi-annual *	Periods ending Dec/31/03 #	Periods ending Jun/30/04 #
	Quarterly	Periods ending Dec/31/03 #	Periods ending Mar/31/04 #
Sep 30	Annual	Periods ending Sep/30/04 #	Periods ending Sep/30/04 #
	Semi-annual	Periods ending Mar/31/04 #	Periods ending Mar/31/04 #

With regard to disclosure, foreign private issuers will need to comply with the following disclosure requirements for all financial statements issued after December 31, 2003:

- Paragraph 27 of FIN 46-R;
- SAB Topic 11.M (SAB 74);
- The off-balance sheet reporting requirements recently adopted by the Commission in FR-67, Disclosure in MD&A About Off-Balance Sheet Arrangements and Aggregate Contractual Obligations; and
- Those foreign private issuers that file under Item 17 of Form 20-F should consider SAB Topic 1.D.1 to determine if the potential impact of FIN 46 or FIN 46-R is of a significance level that disclosure should be made pursuant to Item 5 of Form 20-F.

Notes

- * This assumes that the entity does not prepare separate U.S. GAAP information for the second semi-annual period.
- # For entities applying FIN 46-R at the end of a reporting period, the impact of the initial consolidation of the variable interest entity is on the balance sheet date indicated and on the related financial statements as a cumulative effect of the accounting change as of that balance sheet date. That is, the VIE is consolidated as of the end of the period and no income statement information for the period is presented (except for the impact of applying paragraphs 37-41 of FIN 46-R.).
- + For entities applying FIN 46-R at the beginning of a reporting period, the entity should apply the consolidation provisions of paragraphs 37-41 of FIN 46-R from the date indicated as a cumulative effect of the accounting change as of that date.