
GRANT THORNTON LLP

Grant Thornton Tower
171 N. Clark Street, Suite 200
Chicago, IL 60601-3370

D +1 312 856 0200

S [linkd.in/grantthorntonus](https://www.linkedin.com/company/grantthorntonus)
twitter.com/grantthorntonus

September 8, 2025

Office of the Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Via Email to rule-comments@sec.gov

Re: File Number S7-2025-01

Concept Release on Foreign Private Issuer Eligibility

Dear Office of the Secretary:

Grant Thornton LLP appreciates the opportunity to comment on the Securities and Exchange Commission's (SEC's or Commission's) *Concept Release on Foreign Private Issuer Eligibility*. We support the Commission's efforts to revisit the definition of "foreign private issuer" (FPI) in response to the changes in the FPI population over time. We understand the SEC's objective to ensure that the related accommodations remain appropriately tailored for the intended issuers, while continuing to protect investors and promote capital formation.

Our comments reflect insights gained from our experience as independent accountants serving public companies, including FPIs, and through ongoing interaction with the SEC staff in this capacity.

We encourage the Commission to consider investor feedback and to conduct further outreach, if necessary, to identify specific disclosure gaps in FPI reporting, especially for those issuers that do not have meaningful disclosure and other regulatory requirements in their home country jurisdictions. We believe this will provide valuable insight into determining whether amending the FPI definition or pursuing alternative rulemaking would best serve investors' needs.

Additionally, we urge the Commission to evaluate the impact of any potential change in the FPI definition on dual-listed issuers subject to rigorous regulatory regimes outside the United States, Canadian issuers, and U.S.-only listed FPIs with meaningful statutory reporting obligations in their home countries. Any loss of FPI status for such issuers could adversely affect the quality and efficiency of financial

reporting, particularly in light of the significant costs and complexities associated with transitioning from IFRS as issued by the IASB (IFRS) to U.S. GAAP and complying with periodic and current reporting requirements on domestic forms.

Loss of FPI status

FPIs filing on foreign forms may currently present financial statements under IFRS, U.S. GAAP, or home country GAAP with a reconciliation to U.S. GAAP. A substantial number of FPIs currently use IFRS or home country GAAP to prepare their financial statements filed with the SEC. We believe that if such issuers lose their FPI status due to amendments to the FPI definition, they will incur substantial costs and face operational burdens in transitioning to U.S. GAAP. These issuers would be required to present financial statements prepared in accordance with U.S. GAAP for all periods presented on Form 10-K and to comply with incremental disclosures required by Regulation S-K.

The increased costs may encompass:

- Educating management and executives on U.S. GAAP and the differences between U.S. GAAP and IFRS;
- Recruiting personnel with U.S. GAAP expertise;
- Engaging external legal, accounting, and consulting support to navigate the transition;
- Implementing new internal control frameworks for financial and disclosure reporting;
- Converting historical financial statements to U.S. GAAP; and
- Incurring incremental audit and review fees related to prior periods.

We also note that in certain non-U.S. jurisdictions, there may be limited access to the requisite U.S. GAAP expertise, which could negatively impact the quality of financial reporting—contrary to the Commission’s objective of promoting high-quality financial reporting.

In addition, such issuers may still need to provide financial statements prepared in accordance with IFRS in their home country. Preparing two sets of financial statements will result in an additional ongoing, significant burden on them.

We recommend that the Commission consider feedback from FPIs to better understand the scope of costs and burdens associated with transitioning to U.S. GAAP—particularly when combined with the requirements to file quarterly reports on Form 10-Q and current reports on Form 8-K, as well as to comply with accelerated deadlines for filing periodic reports.

Transition guidance

If the Commission decides to change the definition of FPIs, we urge the Commission to consider providing a reasonable transition period for the affected issuers to adopt U.S. GAAP and to implement relevant nonfinancial disclosures. A phased-in, go-forward adoption approach with bridging disclosures could better facilitate a smooth

transition and promote transparency for investors. We also encourage the Commission to consider providing accommodations similar to those provided when issuers adopt IFRS for the first time, as outlined in Section 6340 of CorpFin's *Financial Reporting Manual* (FRM). Further, we recommend that the Commission permit issuers to omit the quarterly selected financial information required pursuant to Item 302 of Regulation S-K when transitioning from IFRS to U.S. GAAP.

Frequency and timeliness of reporting

IFRS is widely used globally and is also accepted by the Commission for FPIs. We recommend that the Commission engage in targeted investor outreach to identify what information they are either not receiving at all or not receiving in a timely manner. This will help determine whether to amend the FPI definition or to pursue other rulemaking, such as aligning certain disclosure requirements between FPIs and domestic issuers, while continuing to safeguard investors and support capital formation.

As an alternative to amending the FPI definition and requiring affected issuers to transition to U.S. GAAP, the Commission could, if consistent with investor feedback, consider revisiting certain accommodations provided to FPIs related to the frequency and timeliness of reporting. For instance, the Commission may consider requiring FPIs to file interim financial information on a semi-annual basis as well as report certain events on Form 6-K within a specified time period, similar to Form 8-K reporting requirements for domestic issuers. Events that require reporting could include the consummation of significant business acquisition or disposition, material impairments, change in auditors, and non-reliance on previously issued financial statements.

FPIs that are subject to meaningful disclosure and other regulatory requirements in their home country jurisdictions will likely be furnishing these disclosures on Form 6-K on a timely basis. Accordingly, any rulemaking to mandate such disclosures for all FPIs will likely not create significant additional burden on such FPIs.

As an alternative, the Commission could consider mandating such reporting only for issuers that are almost exclusively traded in the U.S. capital markets.

In addition to interim and current reporting, the Commission could also consider amending specific disclosure requirements within Form 20-F based on investors' feedback on information deemed to be material in making investment decisions.

'Foreign business' definition

We further recommend that the Commission align the definition of a "foreign business" under Rule 1-02(l) of Regulation S-X with the current FPI definition. The term "foreign business" is primarily used to determine the financial statement requirements and staleness dates for foreign acquirees and investees. The definition of foreign business is more restrictive than the definition of an FPI. Accordingly, there are entities that would qualify as an FPI, if they were a registrant but would not meet the definition of a foreign business.



In 2020, as part of the amendments to the reporting requirements for acquisitions and dispositions, the Commission permitted the acquired businesses that would meet the definition of FPI, if they were a registrant, to present financial statements in accordance with IFRS without reconciliation to U.S. GAAP, even if they did not meet the definition of a foreign business. Further, as noted in FRM Section 6410.9, for foreign investees that do not meet the definition of a foreign business, but would qualify as an FPI if they were a registrant, the SEC staff will consider providing relief from the reconciliation requirement if the financial statements are prepared in accordance with IFRS.

We would be pleased to discuss our comments with you. If you have any questions, please contact Rohit Elhance, Partner-in-charge of SEC Regulatory Matters at 202-861-4110 or Rohit.Elhance@us.gt.com.

Sincerely,

/s/ Grant Thornton LLP