



IASB
30 Cannon Street
London EC4M 6XH
United Kingdom

28 October 2011

Dear Sir or Madam,

Exposure Draft: *Mandatory Effective Date of IFRS 9*

BUSINESSEUROPE is pleased to provide comments on the Exposure Draft Mandatory Effective Date of IFRS 9 (the ED) published in August 2011.

We fully support the proposal to amend the mandatory effective date of IFRS 9 (2009) and IFRS 9 (2010) to annual periods beginning on or after 1 January 2015, at the earliest. We agree with the Board's view, as stated in the Basis for Conclusions to the ED, that it is important that entities are allowed to apply the requirements of all the major parts of the standard replacing IAS 39 at the same time. The areas dealt with by the financial instruments standards are complex and the decisions made in the phases still under development may have "knock-on" effects on the parts of the standard that have already been published. In this respect, we think it would be advisable for the Board to carry out a review of all parts of the project to ensure that there is full consistency across all areas of accounting for financial instruments before mandatory application. The effective date should therefore be conditional upon the completion of all the different phases of the project, and should be further delayed if necessary to ensure that entities can apply all phases at the same time.

In addition, BUSINESSEUROPE's members think that the effort required to put in place a complex and wide-ranging standard of this sort is such that an extended period of preparation is necessary. We therefore agree with EFRAG's suggestion that the effective date should be set in such a way as to allow three years between the publication of the final, complete suite of elements of the financial instruments standard and the date of mandatory application.

Mandatory Effective Date of the "Consolidation" Standards

BUSINESSEUROPE believes that issues similar to the above exist in respect of the following set of new or amended standards which was published by the IASB in May 2011: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Standards and IAS 28 Investments in Associates and Joint Ventures. The effective date for all these standards is for periods beginning on or after 1 January 2013.



Members of BUSINESSEUROPE have been monitoring the development of these standards, but it is only since publication that it has been possible to obtain a comprehensive view of the whole of the texts, parts of which have evolved significantly during the redeliberation process. The indication we have from those entities that have made progress in their analysis of the final texts is that these are complex standards whose preparation will be burdensome, as they require a fundamental review of all investments and arrangements, and may result in significant changes to the financial statements. We are concerned that entities are left with little time to prepare thoroughly for the application of these. In addition, there may still be unanticipated interactions between these standards, the recently published proposals for investment companies and the incomplete standards for financial instruments and insurance contracts. Furthermore, this mandatory date is a particular and currently pressing problem for foreign registrant filers in the USA, where three years' of consistent income statements are required.

We would therefore respectfully request that the Board consider a similar postponement of the mandatory effective date, while allowing earlier application as prescribed in the standards.

If you would like to discuss any of the above, please do not hesitate to contact us.

Yours faithfully,

Jérôme P. Chauvin
Director
Legal Affairs Department
Internal Market Department