

21 November 2011

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Dear Madam, dear Sir,

Exposure Draft ED/2011/3 Mandatory Effective Date of IFRS 9

The European Banking Authority (EBA), which has come into being as of 1 January 2011 as per Regulation (EU) 1093/2010, welcomes the opportunity to comment on the IASB's ED ED/2011/3 Mandatory Effective Date of IFRS 9.

The EBA has a strong interest in promoting sound and high quality accounting and disclosure standards for financial instruments for the banking and financial industry, as well as transparent and comparable financial statements that would strengthen market discipline.

Effective dates have a significant impact in the context of the transition from one standard or set of standards to another and therefore their implications need to be carefully considered.

We welcome the decision of the IASB to delay the mandatory effective date of IFRS 9 to 1 January 2015 mainly because important phases of IFRS 9 have not been completed within the originally foreseen timeframe. However, considering the relevance of the project on IAS 39 and the need for sufficient implementation time, the entire project should be completed as soon as possible to allow financial institutions and other entities to apply all phases of IFRS 9 in January 2015.

At the same time, while expecting the IASB to deliver as soon as possible, we urge the Board not to compromise on the quality of the final standard, and, if necessary, to review its resource allocation and priorities to meet both targets (quality and timing).

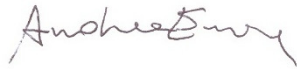
Obviously, in the EU, the mandatory effective date will depend on the actual endorsement of a standard by the European Commission. As such any final decision of the IASB will have to be considered against that background.

In the comment letter the EBA provided in January 2011 in response to the 'Request for Views on Effective Dates and Transition Methods', it was stressed that the same application date should, as much as possible, be applied for a number of standards. In particular the standards IFRS 9 and insurance contracts should have the same effective date, in order to limit accounting mismatches between insurance assets and liabilities. As neither IFRS 9 nor the insurance contracts standard are expected to be completed in time to allow an application date in 2013 a delay of both effective dates is strongly recommended.

The question of the requirements in IFRS 9 for comparatives for entities which would apply IFRS 9 before January 2012, does not apply at an EU level as IFRS 9 has not yet been endorsed by the EU.

If you have any questions regarding our comments, please feel free to contact Mr. Colinet (+ 32.2.220.5247) in his capacity as Chairman of the technical group that coordinated this comment letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Andrea Enria". The signature is written in a cursive style with some loops and flourishes.

Andrea Enria

Chair, European Banking Authority