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Hans Hoogervorst  
Chairman  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Dear Hans,

On behalf of the Austrian Financial Reporting and Auditing Committee (AFRAC), the privately organised standard-setting body for financial reporting and auditing standards in Austria, I appreciate the opportunity to comment on the Exposure Draft *Mandatory Effective Date of IFRS 9* (ED/2011/3). Principal authors of this comment letter were Peter Bitzyk, Florian Botschen, Friedrich Hief, Christian Höllerschmid, Heiner Klein, Caroline Pranzl, Ernst Schönhuber, Erich Steffl and Roland Nessmann. The professional background of these authors is heterogeneous (preparers, academics, and audit companies) in order to assure a balanced Austrian view of the ED.

#### **GENERAL REMARKS**

We see it as absolutely essential for the new regulations for financial instruments in IFRS 9 to be uniform and mandatorily applicable worldwide. The same is true for all other Standards relating to financial instruments, which should be mandatorily applicable at the same time, in order to provide useful information and to avoid higher implementation costs. Such Standards definitely include IFRS 4 Insurance Contracts, and the new leasing standard. For this reason we take a very positive view of the postponement of the Standard's introduction. This will provide time for evaluation of the effects of the new provisions and all the resulting changes, and for the organisation of the corresponding new business and IT processes.

**SPECIFIC REMARKS**

**Question 1: The Board proposes to amend IFRS 9 (2009) and IFRS 9 (2010) so that entities would be required to apply them for annual periods beginning on or after 1 January 2015. Do you agree? Why or why not? If not, what alternative do you propose?**

We agree, for the reasons given under General Remarks.

**Question 2: The Board proposes not to change the requirement in IFRS 9 for comparatives to be presented for entities that initially apply IFRS 9 for reporting periods beginning on or after 1 January 2012. Do you agree? Why or why not? If not, what alternatives do you propose?**

We do not agree, for the following reasons: IFRS 9 will not be finished by 1 January 2012. Any application of IFRS 9 as of that date can therefore never be more than a partial application of the Standard. Application in this form will not show a full picture of all effects on the implementation of IFRS 9 because of the parts not in force at the beginning of the reporting period. Nor will the reporting entity have the time to implement IFRS 9 into all the internal rules, systems and provisions necessary for the preparation of consolidated financial statements. On the assumption that IFRS 9 will be completed in 2012, we recommend extending the period in IFRS 9 for comparatives to be presented for entities that initially apply IFRS 9 for reporting periods beginning on or after 1 January 2014 (.e., a shift in the timing).

Please do not hesitate to contact me if you wish to discuss any aspect of our comment letter in more detail.

Kind regards,

Romuald Bertl

Chairman