



# FIRSTRAND

4 Merchant Place  
Cnr Fredman Drive and Rivonia Road Sandton 2196  
P O Box 650149 Benmore 2010 South Africa  
T +27 11 282 1808 F +27 11 282 8088  
[www.firstrand.co.za](http://www.firstrand.co.za)

Hans Hoogervorst  
International Accounting Standards Board  
1<sup>st</sup> Floor  
30 Cannon Street  
London  
EC4m 6XH  
20 September 2011

Dear Mr Hoogervorst,

***Exposure Draft – Mandatory Effective Date of IFRS 9***

Thank you for this opportunity to comment on the IASB's proposals to amend the effective date of *IFRS 9 Financial Instruments* ("IFRS 9") from years beginning on or after 1 January 2013 to years beginning on or after 1 January 2015.

In general we are strongly in favour of the Board's proposals to delay the effective date of IFRS 9. We also urge the Board to consider aligning the effective date of new Standards that may result from other projects, such as leases and revenue recognition, with the effective date of IFRS 9. We would prefer to adopt all these significant changes in a single reporting period rather than over a number of reporting periods.

We have provided answers to the specific questions posed by the Board in the invitation to comment in Appendix 1 of this letter.

Please feel free to contact us if you would like to discuss any of our responses in more detail.

Yours Sincerely

A. Hedding  
Head of finance – FirstRand Limited

FirstRand Limited Reg. No. 1966/010753/06

Directors: LL Dippenaar (Chairman) SE Nxasana (CEO) VW Bartlett JH Bester JP Burger L Crouse PM Goss NN Gwagwa PK Harris WR Jardine  
EG Matenge-Sebeshe AT Nzimande D Premnaryen (Indian) K Schoeman RK Store BJ van der Ross JH van Greuning MH Visser  
Company Secretary BW Unser

*Certain entities within the FirstRand Group are Authorised Financial Services and Credit Providers*



## Appendix 1

### Question 1

***The Board proposes to amend IFRS 9 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 with the proposals put forward by the Board to delay the mandatory effective date of IFRS 9. We believe that a number of decisions relating to the classification of financial instruments will be dependent on the conclusions reached in respect of hedging and impairment. We believe that entities may be penalised by having to make classification decisions without an understanding of the full extent of that impact, including hedging and impairment.

### Question 2

***The Board proposes not to change the requirement in IFRS 9 for comparatives not 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 alternative do you propose?***

We agree with the proposals. In the Basis for Conclusions the Board has indicated that the reason for the exemption is to allow entities to adopt the standard in a shorter time period. We believe that the time pressures will still exist for entities wanting to adopt the standard for periods beginning on or after 1 January 2012 and hence there is no reason to change the requirement.