

18 October 2011

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

Dear Hans

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

The New Zealand Accounting Standards Board (NZASB) is pleased to submit its comments regarding the International Accounting Standards Board (IASB) Exposure Draft 2011/3 *Mandatory Effective Date of IFRS 9*.

The NZASB fully supports the IASB's proposal to defer the mandatory effective application date of IFRS 9 to 1 January 2015. The NZASB is of this view as we consider that it is vital to align the effective date of all phases of the IAS 39 rewrite project so that entities can more effectively apply all phases at the same time.

We have responded to the specific questions posed in the Exposure Draft in the appendix to this letter.

If you have any queries or require clarification of any matters in this submission, please contact Sarah Bate (sarah.bate@xrb.govt.nz) or me.

Yours sincerely



Michele Embling
Chairman – New Zealand Accounting Standards Board
Email: michele.embling@xrb.govt.nz

Appendix

Question One

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?

The NZASB supports this proposal, as we consider that it is important to align the implementation date of all the remaining phases of the IAS 39 rewrite project. By deferring the mandatory date, entities will have sufficient time to ready their systems and resources to fully apply IFRS 9 successfully.

Question Two

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 alternative do you propose?

The NZASB also support this proposal. In our opinion the relief extended to early adopters of IFRS 9 is appropriate. As the mandatory adoption date is being extended to 1 January 2015, there is sufficient time for entities to restate comparative figures and ready systems and resources for the application of IFRS 9.

Other issue

The NZASB is of the view that early adoption, as proposed in ED/2011/3, should continue to be permitted. The NZASB is aware that some hold the view that early adoption should be prohibited and we do not support that view. The NZASB considers that as IFRS 9 is an improvement in the accounting for financial instruments, entities should be able to adopt it as soon as they have their systems and resources ready in the interest of the production of high quality information in financial statements.