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



Dear Mr Hoogervorst

Comments on ED/2011/3 Mandatory Effective Date of IFRS 9

Thank you for the opportunity to comment on this Exposure Draft. The Commonwealth Bank of Australia (CBA) is one of the four major Australian banks. We have prepared financial statements under IFRS since 2005, having previously prepared financial statements under Australian GAAP (AGAAP) and US GAAP.

We are supportive of the proposals in this Exposure Draft, with our comments on the specific questions raised by the IASB addressed in the Appendix.

Please contact myself with any questions or comments.

Yours sincerely

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Deputy Chief Financial Officer

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Appendix – Response to IASB Questions

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 with the Board's proposed deferral of the effective date for IFRS 9 to annual periods beginning on or after 1 January 2015. We believe this will provide the Board with sufficient time to complete the remaining phases of the IAS 39 replacement project, namely the impairment and hedge accounting phases of the project; including time for the appropriate due process to be followed. This in turn will allow entities to apply the requirements of all phases of this project at the same time, which would be our preferred approach.

We would encourage the Board to further use this opportunity presented by the deferral of the effective date, to synchronise the completion of the general and macro-hedging phases of IFRS 9. As a financial institution both hedging phases need to be considered simultaneously, which is currently not possible per the existing IASB work plan.

The deferred effective date will also allow for an appropriate period for implementation before the mandatory application date of the new requirements, especially considering the requirement to apply retrospectively, i.e. to restate comparatives.

However we would request the Board consider revisiting the effective date and comparative requirements should time frames around finalising standards experience further delays to allow users the necessary implementation time.

Question 2

The Board proposes not to change the requirements 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?

We disagree with the Board's proposal to not defer the date granted for comparative relief.

We believe that comparative relief is a practical operational necessity. The complexities associated with implementing IFRS 9, specifically concerning the impairments phase, make the production of comparatives a very challenging exercise, should users not be provided the required lead time around implementation.

We recommend that an extension of comparative relief for both early adopters and standard adopters be given further consideration.