

21 October 2011

International Accounting Standards Board  
30 Cannon Street  
London EC4M 6  
United Kingdom

## **Comment Letter on Exposure Draft (ED) – Mandatory Effective Date of IFRS 9**

Dear Sir / Madam,

SwissHoldings, the Swiss Federation of Industrial and Services Groups in Switzerland, represents 53 Swiss groups, including most of the country's major industrial and commercial enterprises. We very much welcome the opportunity to comment on the above-mentioned exposure draft. Our response below has been prepared in conjunction with our member companies. We outline some general comments below and answer the specific questions of the request for view in the annexe to this letter.

In general, SwissHoldings does not suggest a fixed mandatory effective date (such as 1.1.2015) for IFRS 9. We would strongly prefer a "rolling-forward" effective date approach. The implementation date should be determined based upon the time when the final standard of IFRS 9 has been published.

Yours sincerely

**SwissHoldings**

Federation of Industrial and Service Groups in Switzerland



David Frick  
Chair, Nestlé SA



Dr. Peter Baumgartner  
Chair Executive Committee

**cc** SH Board

Annexe

## ANNEXE

### QUESTIONS FOR RESPONDENTS – INVITATION TO COMMENT

#### 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?*

Given that there are several important elements of IFRS 9 that still need to be finally drafted, exposed and deliberated on by the IASB, SwissHoldings does not suggest a fixed mandatory effective date (such as 1.1.2015) for IFRS 9. We would strongly prefer if entities were not required to implement IFRS 9 prior to three years after final completion of all phases of this standard. However, as an option, companies shall be allowed early application of IFRS 9.

#### 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 alternative do you propose?*

Given the significant changes which would come into effect following the implementation of IFRS 9, in our view, 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 (or rather 2015 onwards in line with our response to question 1) makes sense theoretically in order to ensure that financial information presented proves useful to the users of financial statements. However, from a practical perspective, this would prove to be extremely difficult to achieve. Regarding the transitional provisions we consider that applying IAS 8 and using a retrospective application would make sense for the classification of financial instruments. However in line with paragraph 53 of the hedge accounting ED (ED/2010/13), we favour a prospective application for all hedge accounting transactions and no restatement of disclosures.

We would suggest the Board reconsiders its position on this point and perhaps provide proposals which whilst less disruptive to the users of financial statements are not unduly burdensome to the preparers of financial statements.