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Dear Sir or Madam,

Re: Invitation to Comment – ED/2011/3: Mandatory Effective Date of IFRS 9

We welcome the opportunity to comment on the IASB's Exposure Draft **ED/2011/3: Mandatory Effective Date of IFRS 9**. I am pleased to respond on behalf of BP p.l.c. to the invitation to comment.

We are broadly supportive of the proposed changes, but would draw your attention to our detailed comments to the individual questions posed in the ED in the appendix to this letter.

In particular, we agree with the rationale set out in paragraph BC3 of the ED that it is important that preparers are able to analyze and apply IFRS 9 in an holistic manner, including the phases related to impairment and hedge accounting which are still being developed as well as the parts published during 2009 and 2010.

Further, as a European Union-based SEC registrant, we are required to comply with both IFRS as issued by the IASB and IFRS as endorsed by the European Union. We would hope that deferral of the mandatory effective date of IFRS 9, and so an increase in the time available for the EU endorsement process to be completed, would reduce the risk of IFRS 9 not having been endorsed by the EU by the mandatory effective date.

If you wish to discuss any of the comments in this letter, we would be happy to do so. Please do not hesitate to contact myself or Alison Kinnon.

Yours faithfully

Roger Harrington

APPENDIX

Responses to the 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?**

We agree with the Board's proposal to defer the mandatory effective dates for IFRS 9 (2009) and IFRS 9 (2010) to 1 January 2015.

We agree with the rationale set out in paragraph BC3 of the ED that it is important that preparers are able to analyze and apply IFRS 9 in an holistic manner, including the phases related to impairment and hedge accounting which are still being developed as well as the parts published during 2009 and 2010.

We do not believe it would be appropriate to require us to apply IFRS 9 (2009) and IFRS 9 (2010), including having to decide on whether to make irrevocable choices on the classification of financial assets and liabilities, until the Board has concluded its deliberations on the final stages of the project. Final standards on impairment of financial assets and hedge accounting, including the extent to which trade receivables will be covered by the new guidance for impairment, and their interaction with the earlier phases, will require time to be analyzed and applied.

Further, as a European Union based SEC registrant, we are required to comply with both IFRS as issued by the IASB and IFRS as endorsed by the European Union. We would hope that deferral of the mandatory effective date, and so an increase in the time available for the EU endorsement process to be completed, would reduce the risk of IFRS 9 not having been endorsed by the EU by the mandatory effective date. Failure to allow sufficient time for EU endorsement would require us to produce two sets of "IFRS" financial statements, which would cause confusion to our investors as well as placing a significant additional burden on us as preparers.

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?**

As acknowledged in paragraph BC4 of the ED, there is a balance to be struck between overburdening preparers with reprocessing complex data and running parallel systems and the desire for comparability of comparative information.

As a SEC registrant we are required to present three years of income statements, statements of comprehensive income, cash flow statements and statements of changes in equity, so even with the proposed effective date of 1 January 2015 we would be required to apply IFRS 9 with a transition date of 1 January 2013.

Assuming that the final stages of the financial instruments project are completed by the first quarter of 2012 we do not consider it unreasonable to expect entities to apply the changes arising from IFRS 9 (2009) and IFRS 9 (2010) retrospectively in their 2015 financial statements.