IASB
30 cannon street
London EM 6XHC
United Kingdom

Paris, 20 October 2010

Ref Exposure draft : Mandatory effective Date of IFRS 9

Dear Sir or Madam,

We would first like to thank you for giving us the opportunity to provide comments on the mandatory effective date for IFRS 9.

EDF Group is a leading player in the energy market. It is an integrated company operating in all areas of electricity from generation to trading and network management. Leader in the French and UK electricity markets, it holds solid positions in Italy and numerous other European countries and industrial operations in Asia and the United States.

EDF is concerned with many aspects of accounting for financial instruments. All three phases of IFRS 9 will have a significant impact on EDF's Group accounts.

We shall answer the first question of the exposure draft requiring comments on the board's proposal of deferring the mandatory effective date of IFRS 9 (2009) and IFRS 9 (2010) from 1 January 2013 to 1 January 2015. The second question on comparatives to be presented for entities that initially apply IFRS 9 for reporting periods beginning from 1 January 2012 does not apply for EDF Group.

On the first question, we agree with the board's proposal to amend the mandatory effective date for implementing the first phase of IFRS 9 and postpone it.

Following the extension of IASB's time line for completion of the remaining phases of IFRS 9, at this stage, all three phases of IFRS 9 won't be published for implementation at the same effective date. We feel that such closely related topics should be consistent on the implementation date.

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We think that deep changes concerning the same item, financial instruments, that would have an impact over different reporting periods because of gradual changes in accounting standards won't help users of financial statements on understanding the information provided.

Furthermore, although this exposure draft relates to IFRS 9 phase I mandatory effective date only, we feel that this question cannot be separated from the request for view on "effectives dates and transition methods" of January 2011. Other fundamental changes are expected on significant items such as revenue recognition or leases. We think that a single effective date approach for all expected new standards that have significant impacts on financial accounts will be more appropriate for communication to the market.

The last point relates to the time required for a company to implement the changes. As stated above, EDF, as most major groups, is significantly concerned with the changes relating to IFRS 9. This implies

- reviewing all financial instruments, including all phases from classification, measurement, depreciation through to hedging to apply the new requirements
- going through the transitions methods
- adapting the IT system on quite a large scale. In practice, IT developments for a firm the size of EDF can take several years.

Consequently, we think that at least a 3 year period for understanding the new requirements and succeed in their implementation is necessary. We would like to stress that the 3 year period should begin from the issuance of all 3 phases of IFRS 9. Should phase II and phase III of IFRS 9 be delayed, the effective date should likewise be postponed.

Therefore, we agree with the proposed amendment to defer the effective date IFRS 9 phase I in order to secure a single effective date for IFRS 9 as a whole. Moreover we would deeply appreciate that this postponement lead to a single effective date for all potential major accounting standard changes.

Should you require further comment or explanation, please do not hesitate to contact us.

Yours sincerely,

Magali VIANDIER
Head of Corporate and Group Accounting