

Rådet *för* finansiell rapportering

The Swedish Financial Reporting Board

RFR-rs 2011:10

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

Dear Sirs,

Re: ED/2011/3 Mandatory Effective Date of IFRS 9

The Swedish Financial Reporting Board is responding to your invitation to comment on the ED/2011/3 Mandatory Effective Date of IFRS 9.

In summary we have the following views:

- We find it positive that the IASB has considered the relationship between the insurance standard and IFRS 9. However, that is not enough, consideration needs to be taken also to others standards such as leasing and revenue recognition standards since changes in definitions may scope in or out certain transactions from specific standards.
- Early implementation of IFRS9 will distort the possibilities to compare different entities' financial statements and adoption at a single point in time is therefore preferable.
- We urge the IASB to consider possible accounting mismatches that may occur retrospectively when previous year's figures are adjusted to the amended standards.

Our views are reflective of the comments we gave when commenting on your request for views regarding effective dates. We then gave the following comments:

- Several of the standards mentioned need to be implemented at the same time, preferably 1 January 2015 at the earliest.
- To enhance comparability, adoption at a single point in time is preferable for the five standards mentioned below.
- We believe that a sequential approach is not preferable, as it would mean changes in accounting policies over a number of years, that would be difficult to explain to users.

We believe that the large number of standards which the IASB is going to publish in the coming year will probably have a larger impact, from an implementation perspective, than the transition to IFRS which Swedish listed companies made in 2005.



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As this is the case we believe that e.g. Leasing, Revenue recognition, Insurance Contracts, Financial instruments and Fair value measurement standards should have the same implementation date to enhance comparability between companies. Furthermore, several of the standards may change the definitions which may scope in or scope out certain transactions from one standard to another, which further increases the need for coordinating the implementation dates. A sequential approach would probably lead to differences in accounting policies over a number of years which would be difficult to understand for users.


An implementation date at a single point in time is preferable also for other reasons, as it will be easier to explain for users the changes in accounting policies. Furthermore, training and adjustments of IT systems regarding all the changes at the same time, will be more cost efficient and practical.

Finally, we urge the IASB to consider possible accounting mismatches that may occur retrospectively when previous year's figures are adjusted to the amended standards. An example is fixed income instruments in insurance companies measured at amortised cost, which economically hedge insurance liabilities. Once the insurance standard is implemented the liabilities will be measured using a current discount rate. Without a possibility to retrospectively reclassify those instruments from the amortised cost category to fair value option, or preferably to retrospectively document a hedging relationship for the interest rate risk excluding the credit spread, there would be an accounting mismatch. We believe that some of the solutions in IFRS 1 may be useful to consider, e.g. the transition rules for IAS 39 (e.g. p25A and 26 (a)—(d) in the Bound Volume from 2007).

If you have any questions concerning our comments please address our Executive member Carl-Eric Bohlin by e-mail to: carl-eric.bohlin@radetforfinansiellrapportering.se

Stockholm, 13 September 2011

Yours sincerely


Anders Ullberg
Chairman