



International Accounting Standards Board
Mr. drs. J.F. Hoogervorst MA
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Onze referentie
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Den Haag
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Betreft
Exposure Draft Mandatory Effective Date of IFRS 9

Geachte mr. Hoogervorst,

On behalf of the Dutch Association of Insurers (Verbond van Verzekeraars), we are writing to comment on the Exposure Draft *Mandatory Effective Date of IFRS 9* issued by the IASB on 4 August 2011.

This letter represents the views of all Dutch insurers represented in our Association.

We agree that the effective date of IFRS 9 should be postponed. We also agree that the key element for the postponement should be the alignment of the effective date with other phases of IFRS 9 and phase II of IFRS 4 Insurance Contracts. However, the other phases of IFRS 9 and IFRS 4 phase II are still in progress and it is not clear if these will be finalised and effective as at 1 January 2015. Therefore, we believe a mandatory effective date of IFRS 9 Phase 1 should be postponed, without a 'fixed' end date as alignment of effective dates of IFRS 4 and IFRS 9 is extremely important. We support making early adopting IFRS 9 a possibility until all phases have been completed.

Furthermore, we disagree with the proposal that the implementation of IFRS 9 (and IFRS 4) requires full retrospective restatement of comparatives as this results in operational difficulties when implementing the standards. Both IFRS 9 and IFRS 4 Phase II will drastically alter our accounting and information gathering processes. We will also need to align the possible outcomes of both projects in conjunction if we would make the best accounting choices to be able to provide users with the most relevant financial information. We therefore believe both IFRS 9 and phase II of IFRS 4 should not require the restatement of comparative information, similar to the exemptions granted when we first adopted IAS 39 in Europe in 2005.

However when requiring comparatives: considering the comprehensiveness of the restatement and the possible concurrence with IFRS 4 phase II we expect that we will need an extra year to



fully implement this project. Taking into account that most insurers present two years of comparative information we propose that the effective date should not be earlier than three years after all phases of IFRS 9 and phase II of IFRS 4 are completed.

Finally, the ED maintains the requirement that comparatives are restated only for assets that are still held at the 2015 effective date; comparatives will then be a mix of IFRS 9 (for individual assets that are still held at 1 January 2015) and IAS 39 (for individual assets that matured/were sold before 1 January 2015). This approach leads to confusing and irrelevant information, with limited comparability between entities¹. It also pre-empts us from preparing for this restatement in advance, as it will only be known at the last day which individual assets are to be re-designated and which are not.

If you wish to discuss our comments further, please do not hesitate to contact us.

Yours sincerely,



H.L. de Boer

¹ Consider two Insurance entities. Both have an investment portfolio that backs the Insurance liabilities classified as Available-for-sale under IAS 39. One entity has an active trading desk and frequently trades its investments- on average each year the entire portfolio is 'refreshed'. The other entity does not actively trade its portfolio. The first entity has a large AFS portfolio recognised in its comparatives, the second entity does not.