

The Association of Corporate Treasurers in Luxembourg (ATEL)

Comments in response to *Mandatory Effective Date of IFRS 9* International Accounting Standard Board, August 2011

Luxembourg, October 20th, 2011

General

The ATEL welcomes the opportunity to comment on this matter.

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The IFRS 9 hedge accounting exposure draft, although not yet final, has a number of positive changes for corporate treasurers. Therefore we recommend to allow preparers to early adopt IFRS even if the effective date is postponed.

Question 1:

The Board proposed to amend IFRS 9 (2009) and IFRS 9 (2010) so that entities would be required to apply them for annual period beginning on or after 1 January 2015. Do you agree? Why or why not? If not, what alternative do you propose?

ATEL fully supports the opinions submitted by EACT and ACT in their letters sent to IASB.

We agree with the postponement of the mandatory effective date of IFRS 9 and welcome the flexibility of the IASB allowing corporates to early adopt.

We recognise all the benefits to delaying the effective date to 1 January 2015. Whilst we welcome the Board permitting early adoption a significant proportion of companies applying International Accounting Standards reside within the European Union and cannot legally apply IFRS 9 until it is endorsed by the European Commission. Once the hedge accounting standard is finalised, any delay to endorsement by the European Commission could cause comparability issues between member and non-member states' and other

international corporate financial statements. Therefore a European company could be penalized vis-à-vis a non EU or a non-listed company. ATEL recognizes this endorsement is not within the remit of the Board but wanted to mention its views and to express its concerns.

Question 2:

The Board proposed 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?

ATEL agrees that entities adopting IFRS 9 on or after 1 January 2012 should be required to restate comparatives, which enable users to fully understand financial hedging strategies and exposures.

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