



Madrid, 21 October 2011
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Re: Exposure Draft ED/2011/3 – “Mandatory effective date of IFRS 9”

Dear Sirs,

Repsol is very pleased to provide comments to the International Accounting Standards Board on its request for views on the Exposure Draft ED/2011/3 – “Mandatory effective date of IFRS 9”

You can find below our responses to some of the questions of the Exposure Draft with our additional comments.

Further information about the Repsol Group and its activities is available on our website: www.repsol.com.

If you would like to discuss any of the points we describe in this letter, please do not hesitate to contact us by e-mail to normativacontable@repsol.com.

Thank you for your attention.

Yours sincerely,

Emilio Linares-Rivas Balius

Accounting Policy and Compliance Manager

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?

Yes, we do agree.

In our opinion, considering the importance and complexity, both qualitatively and quantitatively, of the transactions within the scope of this Standard, we believe the IASB should provide an implementation period of at least three annual periods in order to ensure:

- Preparers of Financial Statements are able to make transition properly (understanding of the new requirements, modification of the reporting systems and internal controls, training staff, elaboration of the comparative information, etc.)
- National standard setters have enough time to amend their local accounting requirements so that they are consistent with IFRS. If local requirements were amended with a certain delay, companies would need to prepare two sets of individual financial statements: one set in accordance with local GAAP and another set in accordance with IFRS so that they can be used to prepare consolidated financial statements.
- Local jurisdictions (such as the European Union) have enough time to endorse the new requirements. This fact is relevant for EU companies which are SEC Registrants, because if there were a lag between the effective date and EU effective date, they would need to make a reconciliation of their financial statements to US GAAP.

As we pointed out in our comments on the Request for Views on “Effective Dates and Transition” dated 31 January 2011, we would like to emphasize that there are other relevant projects in progress that are interrelated with IFRS 9 (for example, Revenue Recognition and Leases Projects) and therefore, should have the same effective date.

In this sense, we would agree with the decision of extending the mandatory effective date for annual periods beginning on or after 1 January 2015, provided the IASB is convinced that IFRS 9 and the other relevant projects in progress will be finished before 31 December 2011.

However, if the completion of the IFRS 9 or the interrelated projects mentioned above are delayed, we would suggest deferring the effective date until 1 January 2016 in order to assure the provision of a three year implementing period that guarantees a properly transition to the new requirements.

Regardless of the effective date established, we think early application should be permitted.

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?

Considering the IASB introduced the relief on restating comparatives with the objective of promoting the early application of IFRS 9, we think that it would be reasonable not to extend that relief to subsequent periods.

This opinion is based on the fact that with the proposed amendment regarding to the date for the mandatory application of IFRS 9, the companies will have a reasonable period to implement the new Standard.