

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

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Exposure Draft Mandatory Effective Date of IFRS9

Representing preparers' point of view, the Swedish Enterprise Accounting Group (SEAG) welcomes the opportunity to comment on the Exposure Draft *Mandatory Effective Date of IFRS 9* that the IASB issued on 4 August 2011.

SEAG believes that, rather than setting a fixed effective date now, it would be more appropriate to await the publication date of the standard after the completion of all phases of IFRS 9 and thereafter allow entities enough time to implement IFRS 9. In allowing entities enough time, we recommend that the Board considers increasing the implementation period, which today is 6-18 months, to a couple of years for corner-stone projects such as Financial Instruments, Revenue Recognition, Leases and Insurance Contracts. This would be in line with the views presented in the SEAG's comment letter on "*IASB request for views on Effective dates and transition methods*".

We are pleased to be at your service in case further clarification to our comments will be needed.

Yours sincerely,

CONFEDERATION OF SWEDISH ENTERPRISE

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The Swedish Enterprise Accounting Group (SEAG) represents around 40 international industrial and commercial groups, most of them listed. The largest SEAG companies are active through sales or production in more than 100 countries.

Total net turnover of SEAG companies: 280 billion EUR

Total assets of SEAG companies: 350 billion EUR

Total number of employees in SEAG companies: 970 000

Appendix

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?

SEAG's response

SEAG welcomes the Board's decision to postpone the effective date of IFRS 9. However, we believe that, rather than setting a fixed effective date, it would be more appropriate to allow entities at least a couple of years, from the date on which both the last phase of IFRS 9 and the new standard on insurance contracts have been published, to implement IFRS 9.

The standards on Financial Instruments, Revenue Recognition, Leases and Insurance Contracts are the cornerstones of financial reporting under IFRSs, in the sense that they have a significant impact on the way companies report the performance of their core business. The standards affect a large number of items and transactions, and their scopes of application are closely related. If these standards had been completed by June 2011, we believed that their collective effective date could have been 1 January 2015.

Looking at IASB's work plan (as published on 14 September 2011), completion of the above mentioned projects has been delayed (target IFRS sometime during 2012) and due to the complexity of the standards we think it would be more appropriate to allow entities at least a couple of years to implement IFRS 9 after the completion of all phases of IFRS 9 and the standard on insurance contracts.

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?

SEAG's response

SEAG supports the principle of restating comparative information for comparison purposes and with regard to user needs, when it is possible and reasonable to do so from a cost - benefit perspective. However, in case of early adoption, SEAG believes that there is reason to relieve the requirement for restatement of comparative information if impractical to restate and it cannot be defended to do so from a cost-benefit perspective.

SEAG accordingly recommends the Board to change the requirement in IFRS 9 for comparatives to be presented, so that restatement of comparatives is not required in case of early adoption under the condition that a restate would be impractical or not reasonable from a cost-benefit perspective. Reference to accounting period cannot be stated as it is dependent on publication date and effective date as discussed in the response to question 1.