

Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH

14 October 2011

Submitted electronically via IFRS Foundation website (www.ifrs.org)

Dear Mr Hoogervorst

Exposure draft ED/2011/3: Mandatory Effective Date of IFRS 9

We welcome the opportunity to comment on the Exposure Draft 'Mandatory Effective Date of IFRS 9' (the ED).

We agree with the ED's proposal to defer the IFRS 9 implementation date from 1 January 2013 to 1 January 2015 or such suitable later date in order to allow companies to implement and adopt all of the phases of IFRS 9 at the same time. Also considering the recent statement by the European Financial Reporting Advisory Group that EU endorsement of IFRS 9 will only take place once all the phases of the IFRS 9 project are finalised, the deferral of IFRS 9's effective date should eliminate the potential conflict for Foreign Private Issuers having to comply with IAS 39 and IFRS 9 for different filing purposes.

We also believe it is important that sufficient preparation time is incorporated between the issue of IFRS 9 in its final form and its mandatory adoption date. We are concerned that the currently proposed effective date of 1 January 2015 may not provide sufficient preparation time if the project is delayed.

Our responses to the questions outlined in the ED are set out below.

- 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?**

We agree with the proposal of the ED to defer the mandatory effective date to 1 January 2015 in order to allow companies to adopt all the phases of IFRS 9 at the same time.

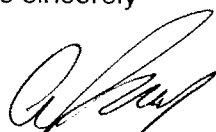
We would also like to highlight some comments in our response to the 'Request for Views on Effective Dates and Transition Methods' dated 31 January 2011. In that response we noted that the 'single date approach' implementation for the four major IFRS projects (revenue recognition, leases, insurance and financial instruments) was our preferred alternative to a drip feed of changes over many reporting periods. We therefore suggest that the Board considers aligning the effective date of the upcoming new standards rather than having multiple changes spread over a number of reporting periods. The big bang approach is preferable from a reporting perspective.

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?**

We believe that if sufficient time is provided between issue of the final standard and its implementation then no relief from restating comparatives should be necessary. However as a point of principle we believe that comparatives should be restated unless that is considered impracticable in terms of materiality or effort.

We trust these comments are helpful. If you have any questions or would like to discuss these comments, please do not hesitate to contact me.

Yours sincerely



GLYN PARRY
Director, Group Financial Control
BT Group PLC