



October 21, 2011

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

Re: Request for Views – Mandatory Effective Date of IFRS 9

The Committee on Corporate Reporting (“CCR”) of the Financial Executive International Canada (“FEI Canada”) is writing to provide its response to the International Accounting Standards Board (“IASB”) Request for Views concerning *Mandatory Effective Date of IFRS 9*.

FEI Canada is the all-industry professional membership association for senior financial executives. With eleven chapters across Canada and more than 2,000 members, FEI Canada provides professional development, thought leadership and advocacy services to its members. The association membership, which consists of Chief Financial Officers, Audit Committee Directors and senior executives in the Finance, Controller, Treasury and Taxation functions, represents a significant number of Canada’s leading and most influential corporations.

The Committee on Corporate Reporting (“CCR”) is one of two national advocacy committees of FEI Canada. CCR is devoted to improving the awareness and educational implications of the issues it addresses, and is focused on continually improving the standards and regulations impacting corporate reporting.

Effective Date

We welcome the Board’s proposal to amend IFRS 9 (2009) and IFRS 9 (2010) to require application for periods beginning on or after January 1, 2015. As indicated in our earlier letter on *Effective Dates and Transition Methods*, we support the delay in the mandatory effective date from the initial January 1, 2013 proposal. However, our support for the new effective date assumes that significant financial instrument standards, including impairment, hedging and macro hedging, as well as the insurance contract standards are re-exposed and complete by January 1, 2013 to permit preparers adequate time to implement the changes by January 1, 2015.

Several of the forthcoming changes to the standards are wide-reaching, impacting multiple financial statement items, financial reporting systems and processes. These changes will require significant implementation time and effort for entities with material financial instruments. The 2015 effective date will better allow entities to effectively manage the changes.

Significant accounting changes remain under consideration by the IASB for components of IFRS 9 such as impairment, hedging and macro-hedging. Due to the complexity and pervasiveness of these expected changes, a January 1, 2015 effective date for IFRS 9 will allow for a more holistic and streamlined implementation strategy.

We believe that the extension of the effective date is in line with the convergence initiative by IASB and FASB on the impairment and hedging components of the standard.

We believe the effective date of all IFRS 9 changes should be aligned with that of the insurance contracts standard. To adopt the new insurance standards in an effective manner that is most meaningful for financial statement users and efficient for preparers, insurers must have the ability

to reclassify financial assets (in accordance with IFRS 9) at the same time. If the implementation dates are not aligned, several consecutive years of financial instrument accounting changes with multiple retrospective restatements could occur. This complex transition would result in unnecessary confusion for users of the financial statements and significant implementation efforts for preparers.

Given that the IASB has elected to tackle the IAS 39 replacement project in multiple, separate stages, it is essential that a comment period is provided at the end of the project to permit users and preparers to revisit the combined impact of all proposals, collectively and in aggregate, once all phases are complete. This final overall check may identify any “unintended consequences” that are only apparent when the various proposals are assessed in their entirety.

Transition

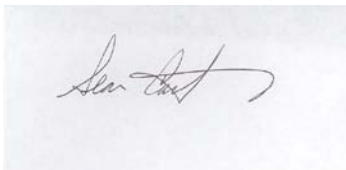
With respect to the second question, requiring restatement of comparatives for early adopters of IFRS 9, we support the Board’s proposal for restated comparatives to be presented for entities that apply IFRS 9 for reporting periods beginning on or after January 1, 2012.

While we are uncertain whether any of our members may consider early adoption of the standards, we support the view that the option should be available. In particular, where standards are related and do not have the same effective date, early adoption would help ease the burden of change for entities, and their financial statement users, that may not be significantly impacted by the changes and are prepared to move forward.

Although, in general we support retroactive application, we suggest that consideration be given to the following:

- For practical considerations, we believe that a prospective approach is more appropriate for certain areas such as impairment (in the context of loan loss provisioning) and hedge accounting.
- Certain transitional provisions in the standard limit full retrospective application. For these areas, further clarity on the retroactive application for comparative periods would be helpful.

Yours very truly,



Sean Carleton
Chair
Committee on Corporate Reporting
FEI Canada