Marc Labat

From: Gabriele Rosenberg [gabriele.rosenberg@dzbank.de]
Sent: Friday, March 22, 2013 9:04 AM
To: CommentLetters
Cc: Yvonne Wiehagen-Knopke; Christine Mutz; Timofei Karnaoukh
Subject: Comment on EFRAG's Draft Comment Letter regarding Exposure Draft 2013/2 Novation of Derivatives and Continuation of Hedge Accounting - Proposed amendments to IAS 39 and IFRS 9

Dear Ms. Flores,

we appreciate the opportunity to comment on EFRAG's Draft Comment Letter regarding Exposure Draft 2013/2 Novation of Derivatives and Continuation of Hedge Accounting - Proposed amendments to IAS 39 and IFRS 9. This letter represents the views of DZ BANK AG.

We strongly support EFRAG's beliefs that

> IASB should clarify that novations that take place to meet the requirements of (substantially) enacted laws or regulations - but that are voluntary only in the sense that they take place before the legal novation deadline also fall within the scope of the proposed amendments and
>
> early application should be permitted so that entities can apply the requirements to novations that take place prior to the finalisation of these amendments,

because there will be no changes of the derivative contract terms (with exception of the terms that are a direct result of the novation). Thus, there are no reasons to exclude the voluntary central counterparty novation. Furthermore the United States Securities and Exchange Commission, Washington D.C, (SEC) explicitly permits the continuation of hedge accounting in such circumstances even if the counterparties did not agree to clearing and novation when they entered into the transaction. If IASB does not allow hedge accounting continuation after a voluntary central counterparty novation, entities in the European Union will be disadvantaged compared to U.S. GAAP users.

We would like to add that the proposed amendment should not be limited to the case when the novation results in a central counterparty becoming the new counterparty to each of the partners of the novated derivative. The following constellations involving a clearing broker also fulfill EMIR
requirements:

1. A clearing member provides clearing services to its clients as clearing broker.

2. In certain circumstances the clients of a clearing member can provide clearing services for their own clients (indirect clients of a clearing member).

In both cases risks are effectively transferred to a central counterpart (via clearing member / client of clearing member). From our point of view the exception in the proposed amendment should be extended and should include both of the forementioned cases.

We would greatly appreciate if you could bring forward our arguments in the final version of your comment letter.

Mit freundlichen Grüßen/Kind regards

Gabriele Rosenberg

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