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## Group Finance

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May 25, 2018

### **EFRAG Discussion Paper "Equity Instruments - Impairment and Recycling"**

Dear Mr. Gauzès,

Thank you for the opportunity to comment on the discussion paper "Equity Instruments – Impairment and Recycling".

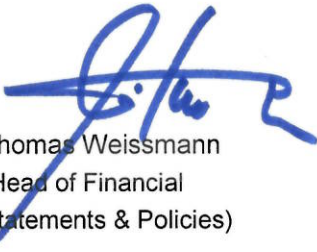
In general, we welcome discussions to make potential improvements to the accounting of financial instruments under IFRS 9, including equity instruments. However, as we are convinced that a single set of global accounting standards is beneficial for efficient and cost-effective capital markets (as is also emphasised by the IAS regulation), Commerzbank strongly believes that any potential changes to IFRS 9 should only be done by the IASB, rather than on an independent basis at the European level.

Therefore, the forthcoming post-implementation review (PIR) of IFRS 9, which is mandatory under the IASB's due process for standard-setting activities, would be a good place and time to analyse the impact of IFRS 9, including whether there is indeed an effect on long-term investors (which is the key reason underlying EFRAG's current project).

While we acknowledge that EFRAG has to respond to the European Commission's request on the subject matter by mid-2018, we strongly recommend that EFRAG – in its response – should emphasise the purely technical nature of the analysis and that it should not be misinterpreted that EFRAG is supporting an European amendment to IFRS 9.

If you would like to discuss our comments further, please do not hesitate to contact Dr. Patrick Kehm (Patrick.Kehm@commerzbank.com; +49 69 136-27932).

Yours sincerely,



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