Appendix – Comments on Appendix 1 of the EFRAG draft comment letter including responses to the questions in IASB's Request for Views: Effective Dates And Transition Methods

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[DRAFT 1]

Dear Ms. Flores,

Re: FEE Comments on EFRAG's Draft Comment Letter on IASB's Request for Views: Effective Dates and Transition Methods

(1) FEE (the Federation of European Accountants) is pleased to comment on the EFRAG Draft Comment Letter on IASB's Request for Views on Effective Dates and Transition Methods (the "Request for Views").

(2) Similar to EFRAG, we prefer a single effective date approach for standards resulting from the IASB's projects on *Revenue from Contract with Customers, Leases, Insurance Contracts, Financial Instruments (IFRS 9),and Fair Value Measurement* ("Group 1"). These standards are interlinked or complementary. Therefore, a piecemeal approach should be avoided to ensure the relevance of the financial information and the comparability between entities, in as much as possible.

(3) Based on the complexities of the Group 1 standards, there is a need for an adequate implementation period spanning at least 36 months from the issuance of the last standard in the group. Therefore, assuming that the last standard will be issued in June 2011, we suggest that the earliest mandatory adoption date should be 1 January 2015. If the completion of some of the Standards is delayed beyond June 2011, we believe that the effective date should be similarly postponed to ensure an implementation period of at least 36 months.

(4) Furthermore, we think that an early application should be permitted for Group 1 projects. However, it would be important to mandate a collective early adoption of these new standards to ensure that they become effective on the same date given the interrelationship of the standards in Group 1, as mentioned above.

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(5) We also believe that standards resulting from the projects on *Post-employment benefits – Defined benefit plans – Proposed amendments to IAS 19 and Presentation of Items of Other Comprehensive Income- Proposed amendments to IAS 1 ("Group 2")* should be adopted on a case by case basis with an early adoption permitted. These standards represent less complex and more discrete changes to the current accounting requirements.

(6) However, unlike EFRAG, we believe that the Consolidation and Joint Arrangements standards should form a separate group ("Group 3") to be adopted at the same time. To facilitate implementation, we propose that the effective date of the standards in Group 3 should be the same as those in Group 1 (i.e. at the earliest on 1 January 2015, to be adjusted if delays are encountered in the finalisation of the various standards in Groups 1 and 3). While we believe that the effective date for Group 1 and 3 should be the same, we believe that entities should be allowed to early adopt standards in Group 3 without necessarily adopting those in Group 1, and conversely. Given that there is little interrelationship between the standards in the two groups, separate adoption of the standards in each of the group would not impair the relevance of the financial information produced.

(7) We also agree with EFRAG that that the Board should consider permitting earlier adoption for first-time adopters for pragmatic reasons only. First-time adopters should also apply a single effective date approach for all standards.

(8) In the light of new and amended IFRSs, it is also recommended that the IASB re-deliberate the necessity for changing IFRS 1 to better accommodate future changes for first-time adopters including possible US first-time adopters.

(9) In our previous comment letters, we expressed some concerns about the proposed transitional provisions for standards included in the scope of this Request for Views. Our previous comments are included in the Appendix.

Our Comments on Appendix 1 of the EFRAG draft comment letter, including responses to the questions in Request for Views are also included in the Appendix of this letter.

For further information on this letter, please contact Tibor Siska, Project Manager.

Yours sincerely,

Philip Johnson

President