BARCLAYS

John Worth
Group Financial Controller
1 Churchill Place
London
E14 5HP

Tel: +44 (0)20 7116 1954
John.worth@barclays.com

Françoise Flores
European Financial Reporting Advisory Group
35 Square de Meeûs
1000 Brussels
Belgium

13 March 2012

Dear M Flores

Response to Invitation to comment on EFRAG's initial assessments of IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011)

We are pleased to have an opportunity to respond to the invitation to comment on EFRAG's initial assessment of IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

We fully concur with EFRAG's initial assessments with regards to the technical criteria for endorsement, the cost of and benefits to be derived from the implementation of this pack of standards. As we have publicly stated, it is imperative that there is a timely financial reporting response to the 2007-8 financial crisis and we consider these standards an important part of that response.

However, we do not support EFRAG's recommendation to defer the effective date – a position we've communicated to EFRAG and the International Accounting Standards Board (IASB) as well as to the European Commission. We have a well-advanced implementation program for the new standards, and we are confident that we will meet the effective date of January 2013 that has been set by the IASB.

European-domiciled Foreign Private Issuers (FPIs) in the United States must comply with both IFRSs as endorsed by the European Union and with IFRSs as issued by the IASB (in order to avoid having to prepare a reconciliation to US GAAP). Most FPIs no longer have US GAAP reconciliation processes and so must be able to apply the new standards from January 2013 in order to meet US reporting requirements, regardless of the European effective date. It is therefore essential that the new standards can be applied January 2013, even if they are not mandatory in Europe, and the endorsement mechanism must facilitate this approach.

If adoption in 2013 is not, or cannot be, permitted there will be significant adverse consequences. Such consequences would include substantial operating challenges and costs in preparing financial statements under two different consolidation models thereby detracting from the implementation of changes in capital rules and other regulatory changes, and the issuance of two sets of financial statements that are prepared under the current standards and the new standards. This last point is highly likely to create confusion in the market place and damage investor confidence in financial reporting at this critical time.

Therefore, in order to alleviate some of the operational burden on preparers and to ensure that an effective date of 2013 remains feasible, we suggest that EFRAG consider requesting the IASB to provide relief on the requirement for comparative information as a pragmatic compromise.

We trust that EFRAG will find our comments useful. If you would like to discuss our response in more detail, then please contact David Bradbery (david.bradbery@barclays.com) at 1 Churchill Place London E14 5HP.

Yours faithfully

John Worth
Group Financial Controller
Barclays PLC