

20 October 2011

Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London ED 4M 6 XH
United Kingdom

Dear Mr Hoogervorst

IASB EXPOSURE DRAFT – Mandatory Effective Date of IFRS 9

The Malaysian Accounting Standards Board welcomes the opportunity to provide comments on the IASB Exposure Draft – Mandatory Effective Date of IFRS 9

We support the Board's proposal to amend IFRS 9 (2009) and IFRS (2010) mandatory effective date to annual periods beginning on or after 1 January 2015. This proposal will allow the reporting entities to evaluate their classification and measurement decisions in light of the impairment and hedge accounting requirements. The proposed alignment of the mandatory effective date would also mean that the entities would be able to adopt the comprehensive replacement of IAS 139 in one package.

The ED also proposed not to change the requirement in IFRS 9 for comparatives to be presented for entities that initially apply IFRS 9 for reporting periods beginning or after 1 January 2012. Whilst we agree that entities would now have sufficient time to plan for the early adoption of IFRS 9 (issued in 2009 and 2010) and hence would be in a position to prepare for meaningful comparatives, we nevertheless would like to propose that transitional relief for presenting comparatives upon first adoption be provided for entities which choose to adopt all the three phases of IFRS 9 at the same time.

If you need further clarification, please contact Ms Christine Lau at 603 2240 9200 or by email at christine@masb.org.my

Yours sincerely



Mohammad Faiz Azmi
Chairman

Appendix

Question 1

The Board proposes to amend IFRS 9 (2009) and IFRS 9 (2010) so that entities would be required to apply them for annual periods beginning on or after 1 January 2015. Do you agree? Why or why not? If not, what alternative do you propose?

We agree with this proposal as this will allow the reporting entities the opportunity to evaluate their classification and measurement decisions in light of the impairment and hedge accounting requirements. The proposed alignment of the mandatory effective date would also mean that the entities would be able to adopt the comprehensive replacement of IAS 139 in one package. However we would also like IASB to re-evaluate the determination of the mandatory date if there is future extension in the timing of the completion of the remaining phases of the project.

Question 2

The Board proposes not to change the requirement in IFRS 9 for comparatives to be presented for entities that initially apply IFRS for reporting periods beginning on or after 1 January 2012. Do you agree? Why or why not? If not, what alternative do you propose?

With the proposal to move the mandatory effective date to 1 January 2015 entities now have a longer time frame to plan for the application of the standard. Though early application of IFRS 9 is permitted, the Board nevertheless decided not to change the requirement in IFRS 9 for comparatives to be presented for entities that choose to apply the standard for reporting periods beginning or after 1 January 2012. Entities choosing to early apply the standard would have considered the practical implications of such early application. In this respect we agree with the Board's proposal requiring comparatives be presented for reporting periods beginning or after 1 January 2012.

For entities which are adopting all phases of IFRS 9 at the same time, we would like to propose to have transitional relief from presenting comparatives upon first adoption. This relief would be particularly helpful for financial institutions which would require considerable amount of resources and time to plan for phase 2 and phase 3 of the project.