

**The Stock Exchange of Hong Kong Ltd.**

*(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)*

30 September 2011

**BY FAX (2865 6776)  
AND BY POST**

Our Ref: LD/CC/091-11

Mr. Steve Ong  
Director, Standard Setting  
Hong Kong Institute of Certified Public Accountants  
37/F., Wu Chung House  
213 Queen's Road East  
Wanchai, Hong Kong

Dear Steve,

**IASB Exposure Draft ED/2011/3 Mandatory Effective Date of IFRS 9 (the "Exposure Draft")**

I refer to your letter dated 15 August 2011 on the above to our Mr. Mark Dickens which has been passed to me for my attention.

We have completed our review of the Exposure Draft and agree to the IASB's proposal to defer the mandatory effective date of IFRS 9 "Financial Instruments" to annual accounting periods beginning on or after 1 January 2015 because of the delays in the expected timing of completion of the impairment and hedging accounting phases of the financial instruments project.

Many constituents commented that the new standards on financial instruments and insurance contracts should be implemented simultaneously. We concur with this view and deferral of the effective date of IFRS 9 to 1 January 2015 would be appropriate if the two new standards on financial instruments and insurance contracts can be completed before the end of 2012. We understand that the effective date of new standards is usually about eighteen months after their publication as time will be needed by preparers to revisit their accounting systems to ensure that the necessary data is available. We would comment that it is possible that the IASB may need to again re-consider the target effective date of IFRS 9 depending on the progress and completion of the two standards.

Entities that adopt IFRS 9 for their annual accounting periods ending on 31 December 2011 are not currently required to restate prior period comparative figures for the year ended 31 December 2010. We note that although the IASB will allow early adoption prior to 1 January 2015, the IASB does not intend extend the relief relating to the presentation of comparative information for those that adopt IFRS 9 for their reporting periods beginning on or after 1 January 2012. The IASB may wish to re-

**The Stock Exchange of Hong Kong Ltd.**

*(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)*

consider the rationale behind this decision and more importantly whether early adoption of standards should be permitted in principle if the purpose of financial statements preparation is to facilitate comparability of information across entities.

We hope that the above comments are useful.

Yours sincerely,  
For and on behalf of  
The Stock Exchange of Hong Kong Limited



Colin Chau  
Senior Vice President  
Listing Division

CC/ESA/el

c.c. Mr. Mark Dickens JP – Head of Listing