



David Schraa
Regulatory Counsel

May 29, 2015

Mr. Russell Golden
Chairman
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Mr. Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street, First Floor
London, EC4M 6XH
United Kingdom

RE: Exposure Draft – Revenue from Contracts with Customers – Deferral of the effective date and ED/2015/2 – Effective date of IFRS 15 – Amendments to IFRS 15

Dear Messrs.,

The Institute of International Finance (IIF), via its Senior Accounting Group (SAG), welcomes the opportunity to comment on the Exposure Draft issued by the FASB - *Revenue from Contracts with Customers (Topic 606) – Deferral of the effective date* and on the exposure draft issued by the IASB *ED 2015/2 – Effective date of IFRS 15 – Amendments to IFRS 15 (EDs)*.

The SAG understands that the proposed EDs aim to address stakeholders' concerns received regarding the significant time and effort required to implement the new model. According to the comments received, the effective date would not give them enough time to update their systems and processes. The SAG also shares this concern, in particular with respect to the complexity arising as to the scope of application of the new standard and issues related to performance obligations. Therefore the SAG supports the Boards' proposals to defer the effective date of Topic 606 and IFRS 15.

In principle, the SAG believes that deferral of effective dates for complexity reasons should not become a common practice by standard setters. However justified in this or other cases, creation of uncertainty about effective dates should remain exceptional. Banks face multiple and very complex demands on their IT and human resources, and scheduling, budgeting and developing new standards when there are many demands on the same resources should remain as predictable as possible. Therefore the SAG welcomes that the IASB considers the proposed deferral as exceptional.¹ That said, the SAG supports the delay in this instance.

In addition, in the interest of international consistency, the IASB and the FASB should consider aligning the effective dates of their proposed standards. To that end, the SAG welcomes that the IASB issued its exposure draft shortly after the FASB's proposal for a similar deferral proposal, albeit with a divergence regarding the conditions of early application. The SAG recommends the FASB and IASB find common ground on the effective date of the proposed standards.

Should you have any comments or questions on this letter, please contact the undersigned or Dorothee Bucquet (dbucquet@iif.com; +1 202 682 7456).

Very truly yours,

A handwritten signature in black ink, appearing to read "David Schuss", with a long horizontal flourish extending to the right.

¹ ED 2015/2 Basis for Conclusions BC 4-6