

5 June 2018

Jean-Paul Gauzès
Chairman
European Financial Reporting Advisory Group
35 Square de Meeûs
1000 Brussels
Belgium

Dear Mr Gauzès

EFrag Discussion Paper: Equity Instruments – impairment and recycling

Deloitte Touche Tohmatsu Limited is pleased to respond to the European Financial Reporting Advisory Group's ('EFRAG's') discussion paper *Equity Instruments – impairment and recycling* ('the discussion paper').

We acknowledge that the discussion paper is part of EFRAG's outreach in forming a response to the request from the European Commission to investigate the possible effects on long-term investment of the accounting requirements in IFRS 9 *Financial Instruments* for equity instruments. We note, however, that the publication of IFRS 9 in 2014 arose from a lengthy and thorough due process by the International Accounting Standards Board ('the IASB').

As such, we support IFRS 9 as currently published and endorsed and are not supportive of reconsidering the concepts that underlie the Standard until users of financial statements have had sufficient opportunity to evaluate the effect of their application. Given IFRS 9 is effective for annual periods beginning on or after 1 January 2018 and there has been limited early application, we do not believe that this is yet the case and consider that an assessment of the impact of IFRS 9 in its totality (including its requirements on accounting for equity instruments) is best deferred until the IASB's post-implementation review.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0) 20 7007 0884.

Yours sincerely



Veronica Poole
Global IFRS Leader