

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

4 July 2013

Dear Ms Flores,

**Ref.: EFRAG's endorsement advice on Novation of Derivatives (IAS 39)**

Thank you for the opportunity to respond to the EFRAG's consultation on the above referenced subject. On behalf of our members, ISDA<sup>1</sup> appreciates the opportunity to respond to this important topic. The International Accounting Standards Board (IASB) published on 27 June 2013 amendments to IAS 39 Financial Instruments: Recognition and Measurement entitled Novation of Derivatives and Continuation of Hedge Accounting.

The European Commission has requested EFRAG to deliver its endorsement advice as soon as possible. As a consequence EFRAG requests from its constituents their assessments of the two amendments from an endorsement advice criteria perspective.

Our members appreciate the efforts taken by the IASB to address the matter in such a short time-frame, and they believe it is important that the amendments are promptly endorsed so that they can be applied as soon as possible.

We hope you find ISDA's comments useful and informative. Should you have any questions or would like clarification on any of the matters raised in this letter please do not hesitate to contact the undersigned.

Yours faithfully,



David Bradbery  
Barclays Bank plc  
Managing Director  
Chair of Accounting Policy Committee



Antonio Corbi  
ISDA  
Assistant Director  
Risk and Capital

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<sup>1</sup> Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 60 countries. These members include a broad range of OTC derivatives market participants including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure including exchanges, clearinghouses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's web site: [www.isda.org](http://www.isda.org)