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Interest Rate Benchmark Reform – EFRAG’s FEA Cover Note

Objective

- 1 The objectives of the session are to:
 - (a) Consider the comments received in response to EFRAG’s Invitation to Comment on its draft endorsement advice on the IASB’s *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*; and
 - (b) Discuss and agree to recommend to the EFRAG Board a final endorsement advice.

Comment letters received

- 2 EFRAG published its draft endorsement advice on 30 September 2019 and received comment letters from 20 constituents and 1 draft comment letter.

Table: Total respondents by country and by type

Respondent by country:		Respondent by type:	
UK	2	National Standard Setters	4
Germany	9	Auditors	2
Sweden	1	Audit organisations	2
Ireland	1	Preparers	9
Italy	1	User organisation	1
France	2	Preparer organisations	3
European organisations	2		
Global organisations	3		
	21		21

EFRAG Secretariat proposed recommendation

- 3 Considering the input received from constituents, the EFRAG Secretariat proposes the following changes:
- (a) Changing page 2 in accordance with the comment provided in paragraph 3(a) of paper 01.02;
 - (b) Changing page 9 in accordance with the comment provided in paragraphs 3(b) and 3(c) of paper 01.02;
 - (c) Changing Appendix III, including an assessment on the FASB Reference rate reform;
 - (d) Clarify that the disclosures help to enhance transparency about the impact of IBOR reform.

Questions for EFRAG TEG

- 4 Does EFRAG TEG agree with the proposed changes and agree to recommend to the EFRAG Board the FEA on *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*?

Agenda Papers

- 5 In addition to this cover note, agenda papers for this session are:
- (a) Agenda paper 01-02 – Comment letter analysis;
 - (b) Agenda paper 01-03 – Final endorsement advice (compared); and
 - (c) Agenda paper 01-04 – Final endorsement advice (clean).