Asociación Española de Banca

30th April, 2015

Guidance on accounting for expected credit losses

The Spanish Banking Association (AEB in its acronym) is grateful for the opportunity to comment on the consultative document on the *Guidance on accounting for expected credit losses*, issued by the BCBS on February, 2015.

The Spanish banks we represent support and abet the letter sent through the IBFed with regard to the consultation period on the *Guidance on accounting for expected credit losses* issued until 30th April 2015.

Nevertheless, we would like to highlight some issues with the aim of being given greater attention, being the most important the following;

1. Application of the Guidance for consolidated groups with subsidiaries in third countries, if they implement different local regulations and/or they are not subject to IFRS.

   However, in order not to deprive these groups, we consider necessary the improvement of coordination and cooperation between national supervisors to ensure consistency and supervisory convergence related to these global banking groups that apply different local models of expected losses.

2. Equivalence and mutual recognition principles must apply to all jurisdictions with a local regime that is full compliant with IFRS 9 in order to facilitate the harmonization of foreign subsidiaries financial statements to the consolidated principles.

3. With regard to the entry into force of the Guidance, we believe it is necessary that this Guidance is implemented coinciding with the implementation date of IFRS9.