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Stig Enevoldsen 35 Square Meeûs B-1000 Brussels

Belgium

EFRAG

Berlin, 20 January 2010

EFRAG's Assessment of the Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*

Dear Stig,

The German Accounting Standards Board (GASB) appreciates the opportunity to comment on EFRAG's Assessment of the Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*.

We agree with EFRAG's technical assessment of the amendments regarding the technical criteria for endorsement; that is we support the positive endorsement advice to the European Commission regarding the adoption of the Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*.

This view is supported by the answers that we received from a survey that the GASB carried out with selected companies in Germany. For this purpose we sent your questionnaire to the DAX 30 companies. We received responses from two preparers and from one user as a result of the survey, all of whom fully support the EFRAG's technical assessment regarding the amendments.

The GASB, as a standard setter, has not itself evaluated the costs and benefits that are likely to arise for preparers and users through the implementation of the amendments. However, all three respondents to the survey mentioned above agree with EFRAG's assessment of the costs and benefits that could arise; this means they also support EFRAG's conclusion that the benefits to be derived from applying the amendments will exceed the costs involved.

For your convenience, we have attached the responses that we received as a result of our survey to this letter. Please note that one response has not been attached because the respective company wants to remain anonymous.

If you have any further questions, please do not hesitate to contact me.

Yours sincerely, Liesel Knorr President

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INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS OF THE AMENDMENTS TO IFRIC 14 'PREPAYMENTS OF A MINIMUM FUNDING REQUIREMENT'

Comments should be sent to commentletter@efrag.org by 20 January 2010

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement* (the Amendments). In order to do that, EFRAG has been carrying out a technical assessment of the Amendments to IFRIC 14 against the criteria for endorsement set out in Regulation (EC) No 1606/2002 and has also been assessing the costs and benefits that are likely to arise from its implementation in the EU.

A summary of the Amendments is set out in Appendix 1.

Before finalising its two assessments, EFRAG would welcome your views on the issues set out below. Please note that all responses received will be placed on the public record unless the respondent requests confidentiality. In the interest of transparency, EFRAG will wish to discuss the responses it receives in a public meeting, so we would prefer to be able to publish all the responses received.

- 1 Please provide the following details about yourself:
 - (a) Your name or, if you are responding on behalf of an organisation or company, its name:

German A	erman Accounting Standards Board (GASB)					
(b)	Are you/Is your o	organisation or co	mpany a:			
	☐ Preparer	User	○ Other (please specify)			
national s	tandard setter					

	(c)	Please provide a short description of your activity/the general activity of your organisation or company:
Germ	(d)	Country where you/your organisation or company is located:
	(e)	Contact details including e-mail address:
Liese	l Kno	rr
Zimm	nerstra	asse 30, D-10969 Berlin
knorr	@drs	c.de
2	for e	AG's initial assessment of the Amendments is that they meet the technical criteria ndorsement. In other words, they are not contrary to the true and fair principle they meet the criteria of understandability, relevance, reliability and comparability. AG's reasoning is set out in Appendix 2. Do you agree with this assessment? Yes No If you do not, please explain why you do not agree and what you believe the implications of this should be for EFRAG's endorsement advice.
There	(b)	Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of the Amendments? If there are, what are those issues and why do you believe they are relevant to the evaluation? no other issues.

3	application of Some initial	f the Amendments in th	ets that will arise for preparers and for users or the EU, both in year one and in subsequent years ied out, and the responses to this Invitation to the assessment.
4	EFRAG belie	eves that for the Amenem, but the decrease is	nent are set out in Appendix 3. To summarise nendments will likely reduce costs for preparers is likely to be insignificant. Do you agree with this
	Do you agree	e with this assessment?	?
	Yes	☐ No	
		please explain why you	ou do not and (if possible) explain broadly what you
As a	a national stand	lard setter we did not o	ourselves evaluate these aspects.
5	•	in any incremental ye	EFRAG believes that for the Amendments will no ear one or ongoing costs. Do you agree with this
	☐ Yes	□No	
		please explain why you	ou do not and (if possible) explain broadly what you
As a	a national stand	lard setter we did not o	ourselves evaluate these aspects.

6	Based on the conclusions described in paragraphs 3 and 4 above, EFRAG has tentatively concluded that the benefits to be derived from applying the Amendments will exceed the costs involved.					
	Do you agree v	with this assessment?				
	☐ Yes	□ No				
		please explain why you do not and what you think the implications FRAG's endorsement advice?				
As a	national standa	rd setter we did not ourselves evaluate these aspects.				
7		aware of any other factors that should be taken into account in reaching to what endorsement advice it should give the European Commission nents.				
	Do you agree t	hat there are no other factors?				
	⊠ Yes	□ No				
		please explain why you do not and what you think the implications FRAG's endorsement advice?				



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1	Plassa	nrovida	tha	following	alictah r	ahout	vourself:
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(a)	Your name or, if its name:	you are respor	nding on behalf of an organisation	on or company
Lin	de AG,			
				<u> </u>
				_
(b)	Are you/Is your o	rganisation or c	company a:	_
	X Preparer	User	Other (please specify)	

	(c)	Please provide a short description of your activity/the general activity of your organisation or company:
	ind	ustrial gases company
	(d)	Country where you/your organisation or company is located:
	Ger	many
	(e)	Contact details including e-mail address:
	Lin	de AG Klosterhofstr. 1, 80331 Munich
		Björn Schneider; Crispin Teufel
	bjo	ern.schneider@linde.com; crispin.teufel@linde.com
2	for e	AG's initial assessment of the Amendments is that they meet the technical criteria endorsement. In other words, they are not contrary to the true and fair principle they meet the criteria of understandability, relevance, reliability and comparability. AG's reasoning is set out in Appendix 2.
	(a)	Do you agree with this assessment?
		X Yes
		If you do not, please explain why you do not agree and what you believe the implications of this should be for EFRAG's endorsement advice.
	(b)	Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of the Amendments? If there are, what are those issues and why do you believe they are relevant to the evaluation?

3	application of Some initial	the Amendments in the EU	at will arise for preparers and for our of the state of the subseque of the subseque of the subseque of the subseque of the subsequents.	nt years.
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	Do you agree w	ith this assessment?					
	X Yes	□ No					
		please explain why you do not and where RAG's endorsement advice?	nat you think the implications				
7		ware of any other factors that should be what endorsement advice it should givents.					
	Do you agree th	at there are no other factors?					
	X Yes	□ No					
		please explain why you do not and where RAG's endorsement advice?	nat you think the implications				



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- 1 Please provide the following details about yourself:
 - (a) Your name or, if you are responding on behalf of an organisation or company, its name:

Mui	nich Re		
(b)	Are you/Is your o	rganisation or cor	mpany a:
	☐ Preparer	⊠ User	Other (please specify)

Please provide a short description of your activity/the general activity of your

(c)

		organisation or company:	
	Rein	nsurance	
	(d)	Country where you/your organisation or company is located:	
	Gern	many, multinational company;	
	(e)	Contact details including e-mail address:	
	ipfa	aller@munichre.com; whoermann@munichre.com;	
2	for e	RAG's initial assessment of the Amendments is that they meet the technic endorsement. In other words, they are not contrary to the true and fall they meet the criteria of understandability, relevance, reliability and con RAG's reasoning is set out in Appendix 2.	ir principle
	(a)	Do you agree with this assessment?	
		⊠ Yes □ No	
		If you do not, please explain why you do not agree and what you be implications of this should be for EFRAG's endorsement advice.	elieve the
	(b)	Are there any issues that are not mentioned in Appendix 2 that yee EFRAG should take into account in its technical evaluation of the Ame If there are, what are those issues and why do you believe they are the evaluation?	endments?
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⊠ Yes	☐ No					
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6	Based on the conclusions described in paragraphs 3 and 4 above, EFRAG has tentatively concluded that the benefits to be derived from applying the Amendments will exceed the costs involved.			
	Do you agree with this assessment?			
	⊠ Yes	□ No		
	If you do not, please explain why you do not and what you think the implications should be for EFRAG's endorsement advice?			
			-	
			-	
7	EFRAG is not aware of any other factors that should be taken into account in reaching a decision as to what endorsement advice it should give the European Commission on the Amendments.			
	Do you agree that there are no other factors?			
	⊠ Yes	☐ No		
	If you do not, please explain why you do not and what you think the implications should be for EFRAG's endorsement advice?			
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