



DRSC e. V. • Zimmerstr. 30 • 10969 Berlin

EFRAG
Françoise Flores
35 Square de Meeûs
B-1000 Brussels
Belgique

Telefon +49 (0)30 206412-12
Telefax +49 (0)30 206412-15
E-Mail info@drsc.de

Berlin, 24. Juli 2012

EFRAG's Assessment of ANNUAL IMPROVEMENTS TO IFRSs 2009-2011 CYCLE

Dear Françoise,

The Accounting Standards Committee of Germany (ASCG) appreciates the opportunity to comment on EFRAG's Assessment of the Annual Improvements to IFRSs 2009-2011 Cycle.

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 both amendments.

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

The ASCG, 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 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.

As attachments to this letter you will find our comments to the above mentioned assessment as well as those received from the DAX30 entities.

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

Yours sincerely,

Liesel Knorr

President

**DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON
ANNUAL IMPROVEMENTS TO IFRSs 2009-2011 CYCLE**

INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS

**Comments should be sent to commentletters@efrag.org or
uploaded via our website by 25 July 2012**

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the *Annual Improvements to IFRSs 2009-2011 Cycle* ('the Amendments'). In order to do that, EFRAG has been carrying out an assessment of the Amendments against the technical criteria for endorsement set out in Regulation (EC) No 1606/2002 and has also been assessing the costs and benefits that would arise from its implementation in the European Union (the EU) and European Economic Area.

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.

EFRAG initial assessments summarised in this questionnaire will be amended to reflect EFRAG's decisions on Appendix 2 and 3.

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:

Accounting Standards Committee of Germany (ASCG)

- (b) Are you a:

Preparer User Other (please specify)

National Standard Setter

*Annual Improvements to IFRSs 2009-2011 Cycle –
Invitation to Comment on EFRAG's Initial Assessments*

(c) Please provide a short description of your activity:

see (b) above

(d) Country where you are located:

Germany

(e) Contact details including e-mail address:

ASCG c/o Liesel Knorr

Zimmerstrasse 30 - 10969 Berlin - Germany

knorr@drsc.de

2 EFRAG's initial assessment of the Amendments is that they meet the technical criteria for endorsement. In other words, they are not contrary to the principle of true and fair view and they meet the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2.

(a) 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.

(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?

None.

3 EFRAG is also assessing the costs that are likely to arise for preparers and for users on implementation of the Amendments in the EU, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this Invitation to Comment will be used to complete the assessment.

The results of the initial assessment of costs are set out in paragraphs 3, 7, 10, 16 and 19 of Appendix 3. To summarise, EFRAG's initial assessment on the Amendments is that:

*Annual Improvements to IFRSs 2009-2011 Cycle –
Invitation to Comment on EFRAG's Initial Assessments*

- (a) Repeated application of IFRS 1: the Amendments to IFRS 1 are likely to reduce the costs for preparers to re-adopt IFRSs while they will not result in significant costs to users;
- (b) Borrowing costs relating to qualifying assets for which the commencement date for capitalisation is before the date of transition to IFRSs: the Amendments to IFRS 1 are likely to reduce the one-off costs at the date of transition to IFRSs and do not impact the ongoing costs of applying IFRSs for preparers, while they will not significantly affect the costs for users.

Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

As a national Standard Setter we are not in a position to

Comment on this issue; however, all our constituents

responding to this survey agree with EFRAG's assessment.

- 4 In addition, EFRAG is assessing the benefits that are likely to be derived from the Amendments. The results of the initial assessment of benefits are set out in paragraphs 3, 12, 13, 21 and 22 of Appendix 3. To summarise, EFRAG's initial assessment is that:

- (a) Repeated application of IFRS 1: the Amendments to IFRS 1 bring benefit to first-time adopters by reducing the costs of transition to IFRS while there is no impact on entities that already apply IFRS. In addition, EFRAG believes that users will benefit from the Amendments to IFRS 1 as they permit the retrospective application of IFRSs in circumstances, thus enhancing the reliability and the quality of financial information.
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Do you agree with this assessment?

Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

Please refer to 3, respectively.

*Annual Improvements to IFRSs 2009-2011 Cycle –
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- 5 EFRAG’s initial assessment is that the benefits to be derived from implementing the Amendments in the EU as described in paragraph 4 above are likely to outweigh the costs involved as described in paragraph 3 above.

Do you agree with this assessment?

Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

Please refer to 3, respectively

- 6 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 agree, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

**DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON
ANNUAL IMPROVEMENTS TO IFRSs 2009-2011 CYCLE**

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EFRAG initial assessments summarised in this questionnaire will be amended to reflect EFRAG's decisions on Appendix 2 and 3.

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- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

Deutsche Bank AG

- (b) Are you a:

Preparer User Other (please specify)

*Annual Improvements to IFRSs 2009-2011 Cycle –
Invitation to Comment on EFRAG’s Initial Assessments*

(c) Please provide a short description of your activity:

Global Financial Services Entity

(d) Country where you are located:

Germany

(e) Contact details including e-mail address:

Karin Dohm, Chief Accounting Officer, Deutsche Bank

Taunusanlage 12 60325 FRANKFURT

Email: karin.dohm@db.com Phone: 49 (69) 910 31183

2 EFRAG’s initial assessment of the Amendments is that they meet the technical criteria for endorsement. In other words, they are not contrary to the principle of true and fair view and they meet the criteria of understandability, relevance, reliability and comparability. EFRAG’s reasoning is set out in Appendix 2.

(a) 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.

(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

3 EFRAG is also assessing the costs that are likely to arise for preparers and for users on implementation of the Amendments in the EU, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this Invitation to Comment will be used to complete the assessment.

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Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

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Do you agree with this assessment?

Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

*Annual Improvements to IFRSs 2009-2011 Cycle –
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Do you agree with this assessment?

Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

- 6 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 agree, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

**DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON
ANNUAL IMPROVEMENTS TO IFRSs 2009-2011 CYCLE**

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Deutsche Post DHL

- (b) Are you a:

X Preparer User Other (please specify)

*Annual Improvements to IFRSs 2009-2011 Cycle –
Invitation to Comment on EFRAG’s Initial Assessments*

- (c) Please provide a short description of your activity:

Logistics Company

- (d) Country where you are located:

Germany

- (e) Contact details including e-mail address:

Dr. Andreas Duhr

Charles-de-Gaulle-Str. 20, D-53113 Bonn

Andreas.Dr.Duhr@deutschepost.de

- 2 EFRAG’s initial assessment of the Amendments is that they meet the technical criteria for endorsement. In other words, they are not contrary to the principle of true and fair view and they meet the criteria of understandability, relevance, reliability and comparability. EFRAG’s reasoning is set out in Appendix 2.

- (a) Do you agree with this assessment?

X 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.

- (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?

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Do you agree with this assessment?

X Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

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Do you agree with this assessment?

X Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

*Annual Improvements to IFRSs 2009-2011 Cycle –
Invitation to Comment on EFRAG's Initial Assessments*

- 5 EFRAG's initial assessment is that the benefits to be derived from implementing the Amendments in the EU as described in paragraph 4 above are likely to outweigh the costs involved as described in paragraph 3 above.

Do you agree with this assessment?

X Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

- 6 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?

X Yes No

If you do not agree, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

**DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON
ANNUAL IMPROVEMENTS TO IFRSs 2009-2011 CYCLE**

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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:

Linde AG

Klosterhofstraße 1

80331 Munich

- (b) Are you a:

X Preparer User Other (please specify)

*Annual Improvements to IFRSs 2009-2011 Cycle –
Invitation to Comment on EFRAG’s Initial Assessments*

(c) Please provide a short description of your activity:

Gases & Engineering Company

(d) Country where you are located:

worldwide

(e) Contact details including e-mail address:

christina.moderegger@linde.com

2 EFRAG’s initial assessment of the Amendments is that they meet the technical criteria for endorsement. In other words, they are not contrary to the principle of true and fair view and they meet the criteria of understandability, relevance, reliability and comparability. EFRAG’s reasoning is set out in Appendix 2.

(a) 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.

(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?

N/A

3 EFRAG is also assessing the costs that are likely to arise for preparers and for users on implementation of the Amendments in the EU, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this Invitation to Comment will be used to complete the assessment.

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Do you agree with this assessment?

X Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

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Do you agree with this assessment?

X Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

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Do you agree with this assessment?

X Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

- 6 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?

X Yes No

If you do not agree, please provide your arguments and indicate how this should affect EFRAG’s endorsement advice?

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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:

Allianz SE

- (b) Are you a:

Preparer User Other (please specify)

*Annual Improvements to IFRSs 2009-2011 Cycle –
Invitation to Comment on EFRAG's Initial Assessments*

- (c) Please provide a short description of your activity:

Insurance, Asset Management, Banking

- (d) Country where you are located:

Worldwide with headquarter in Germany

- (e) Contact details including e-mail address:

Dr. Roman Sauer, Head of Group Accounting Policy,
roman.sauer@allianz.com

Thomas Höppel, Group Accounting Policy,
thomas.hoepfel@allianz.com

- 2 EFRAG's initial assessment of the Amendments is that they meet the technical criteria for endorsement. In other words, they are not contrary to the principle of true and fair view and they meet the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2.

- (a) 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.

n/a

- (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?

n/a

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Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

n/a

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Do you agree with this assessment?

Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

n/a

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Do you agree with this assessment?

Yes No

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n/a

- 6 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 agree, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

n/a
