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Berlin, 16 August 2012

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

Dear Françoise,

EFRAG'S DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS, JOINT ARRANGEMENTS AND DISCLOSURE OF INTERESTS IN OTHER ENTITIES: TRANSITION GUIDANCE (AMENDMENTS TO IFRS 10, IFRS 11 AND IFRS 12)

On behalf of the German IFRS Committee I am writing to comment on EFRAG's Assessment of the Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12).

We agree with the views set out in the assessment. As a national standard-setter we are not in a position to answer the questions regarding the costs that will arise for preparers and for users to implement the amendment. We therefore sent your assessment-form to the DAX30 entities and got feedback from three companies, which indicated that they agree to the assessment made by EFRAG.

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



INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS

Comments should be sent to <u>commentletters@efrag.org</u> or uploaded via our website by 17 August 2012

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)* ('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.

1	Please	provide t	the i	following	details	about v	ourself:

(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
(c)	Please provide a short description of your activity:
	See above
(d)	Country where you are located:
	Germany

Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

	Liesel Knorr - c/o DRSC e.V.
	Zimmerstr. 30; 10969 Berlin
	knorr@drsc.de
tech prin und	RAG's initial assessment of the Amendments is that it meets / they meet the inical criteria for endorsement. In other words, it is / they are not contrary to the ciple of true and fair view and it meets / they meet the criteria of erstandability, relevance, reliability and comparability. EFRAG's reasoning is set 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
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Do	you agree with this assessment?
	Yes
	ou do not, please explain why you do not and (if possible) explain broadly what believe the costs involved will be?
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Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) If you do not agree, please provide your arguments and indicate how this should affect EFRAG's endorsement advice? 7 In its final endorsement advice letter on IFRS 10 to the European Commission, EFRAG recommended that the mandatory effective date of IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011) to be 1 January 2014, with early adoption permitted. Consistent with EFRAG's recommendation, the Accounting Regulatory Committee voted on 1 June 2012 to recommend endorsement of the standards for adoption with the mandatory effective date of 1 January 2014. In order to align the mandatory effective date of the Amendments with the effective date of IFRS 10, IFRS 11 and IFRS 12, EFRAG's preliminary recommendation is to defer the mandatory effective date of the Amendments from 1 January 2013 to 1 January 2014, with early adoption permitted. Do you agree with EFRAG's preliminary recommendation that the Amendments should also be effective in the EU as of 1 January 2014, with early application permitted? □ No If you do not agree with this recommendation, please explain your position?



INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS

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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:
	Allianz SE
(b)	Are you a:
	□ Preparer □ User □ Other (please specify)
(c)	Please provide a short description of your activity:
	Insurance, Asset Management, Banking

)ISCIOSU	re of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
(d)	Country where you are located:
	Worldwide with headquarter in Gemany
(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.hoeppel@allianz.com
tech prin und	RAG's initial assessment of the Amendments is that it meets / they meet the inical criteria for endorsement. In other words, it is / they are not contrary to the ciple of true and fair view and it meets / they meet the criteria of erstandability, relevance, reliability and comparability. EFRAG's reasoning is set 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
	RAG is also assessing the cost and benefits that are likely to arise for preparers implementation of the Amendments in the EU, both in year one and in

Draft endorsement advice on Consolidated financial statements, Joint arrangements and

3 EFRAG is also assessing the cost and benefits that are likely to arise for preparers 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 58-61 of Appendix 3. To summarise, EFRAG's initial assessment is that the transition relief provided by the Amendments significantly reduces the transitional cost of the preparers to apply IFRS 10, IFRS 11 and IFRS 12.

Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

⊠ Yes	□ No
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Do you agree v	ith this assessment?
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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.

Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) 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? n/a In its final endorsement advice letter on IFRS 10 to the European Commission, EFRAG recommended that the mandatory effective date of IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011) to be 1 January 2014, with early adoption permitted. Consistent with EFRAG's recommendation, the Accounting Regulatory Committee voted on 1 June 2012 to recommend endorsement of the standards for adoption with the mandatory effective date of 1 January 2014. In order to align the mandatory effective date of the Amendments with the effective date of IFRS 10, IFRS 11 and IFRS 12, EFRAG's preliminary recommendation is to defer the mandatory effective date of the Amendments from 1 January 2013 to 1 January 2014, with early adoption permitted. Do you agree with EFRAG's preliminary recommendation that the Amendments should also be effective in the EU as of 1 January 2014, with early application permitted? ⊠ Yes □ No

If you do not agree with this recommendation, please explain your position?

7



INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS

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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:

Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) Manager Group Accounting Country where you are located: (d) Germany (e) Contact details including e-mail address: Phone 00494059095715 _____ Unnastr 48 D- 20245 Hamburg 2 EFRAG's initial assessment of the Amendments is that it meets / they meet the technical criteria for endorsement. In other words, it is / they are not contrary to the principle of true and fair view and it meets / they meet the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2. Do you agree with this assessment? □ No 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. 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 EFRAG is also assessing the cost and benefits that are likely to arise for preparers 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 58-61 of Appendix 3. To summarise, EFRAG's initial assessment is that the transition relief provided by the Amendments significantly reduces the transitional cost of the preparers to apply IFRS 10, IFRS 11 and IFRS 12.

Do you agree with this assessment?

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•	t, please explain why you do not and (if possible) explain broadly what the costs involved will be?
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Do you agre	e with this assessment?
<u>X</u> □ Yes	□ No
	ot agree with this assessment, please provide your arguments and this should affect EFRAG's endorsement advice?
Amendment	itial assessment is that the benefits to be derived from implementing the s in the EU as described in paragraph 4 above are likely to outweigh olved as described in paragraph 3 above.
Do you agre	e with this assessment?
<u>X</u> □ Yes	□ No
	ot agree with this assessment, please provide your arguments and this should affect EFRAG's endorsement advice?
reaching a	not aware of any other factors that should be taken into account in decision as to what endorsement advice it should give the European on the Amendments.

Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) 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? 7 In its final endorsement advice letter on IFRS 10 to the European Commission, EFRAG recommended that the mandatory effective date of IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011) to be 1 January 2014, with early adoption permitted. Consistent with EFRAG's recommendation, the Accounting Regulatory Committee voted on 1 June 2012 to recommend endorsement of the standards for adoption with the mandatory effective date of 1 January 2014. In order to align the mandatory effective date of the Amendments with the effective date of IFRS 10, IFRS 11 and IFRS 12, EFRAG's preliminary recommendation is to defer the mandatory effective date of the Amendments from 1 January 2013 to 1 January 2014, with early adoption permitted. Do you agree with EFRAG's preliminary recommendation that the Amendments should also be effective in the EU as of 1 January 2014, with early application permitted? □ No X Yes If you do not agree with this recommendation, please explain your position?



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1	Please	provide	the	following	details	about v	vourself:

(a)	Your name or, if you are responding on behalf of an organisation or company, its name:
	Agata Pohl, Corporate Financial Reporting (CFR)
(b)	Are you a:
	□ Preparer □ User □ Other (please specify)
(c)	Please provide a short description of your activity:
	CFR: Prepares Annual Report, incl. Notes & Ouarterly

Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

reporting; provides IFRS guidance for SAP subsidiaries.

(d)	Country where you are located:
	Germany
(e)	Contact details including e-mail address:
	Agata.Pohl@sap.com
tech prindund	RAG's initial assessment of the Amendments is that it meets / they meet the inical criteria for endorsement. In other words, it is / they are not contrary to the ciple of true and fair view and it meets / they meet the criteria of erstandability, relevance, reliability and comparability. EFRAG's reasoning is set 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?
	None.

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The results of the initial assessment of costs are set out in paragraphs 58-61 of Appendix 3. To summarise, EFRAG's initial assessment is that the transition relief provided by the Amendments significantly reduces the transitional cost of the preparers to apply IFRS 10, IFRS 11 and IFRS 12.

Do you agree with this assessment?

closure of intere	sts in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
⊠ Yes	□ No
	please explain why you do not and (if possible) explain broadly what costs involved will be?
N/A	
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Do you agree	with this assessment?
⊠ Yes	□ No
<u>N/A</u>	
Amendments	I assessment is that the benefits to be derived from implementing the n the EU as described in paragraph 4 above are likely to outweigh yed as described in paragraph 3 above.
Do you agree	with this assessment?
⊠ Yes	□ No
	agree with this assessment, please provide your arguments and is should affect EFRAG's endorsement advice?
N/A	
reaching a de	aware of any other factors that should be taken into account in cision as to what endorsement advice it should give the European the Amendments.

Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) 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? 7 In its final endorsement advice letter on IFRS 10 to the European Commission, EFRAG recommended that the mandatory effective date of IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011) to be 1 January 2014, with early adoption permitted. Consistent with EFRAG's recommendation, the Accounting Regulatory Committee voted on 1 June 2012 to recommend endorsement of the standards for adoption with the mandatory effective date of 1 January 2014. In order to align the mandatory effective date of the Amendments with the effective date of IFRS 10, IFRS 11 and IFRS 12, EFRAG's preliminary recommendation is to defer the mandatory effective date of the Amendments from 1 January 2013 to 1 January 2014, with early adoption permitted. Do you agree with EFRAG's preliminary recommendation that the Amendments should also be effective in the EU as of 1 January 2014, with early application permitted? ⊠ Yes □ No If you do not agree with this recommendation, please explain your position?