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Diese Unterlage wurde von einem Mitarbeiter des DRSC für die DSR-Sitzung erstellt.

DSR – öffentliche SITZUNGSUNTERLAGE

DSR-Sitzung:	127. / 05.01.2009 / 12:45 – 14:45 Uhr
TOP:	04 – ED amend IFRS 1
Thema:	Entwurf einer Stellungnahme an den IASB
Papier:	04a_ED amend IFRS 1_Entwurf DSR an IASB



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Sir David Tweedie
Chairman of the
International Accounting Standards Board
30 Cannon Street

Berlin, 18. Dezember 2008

London EC4M 6XH
United Kingdom

Dear David,

Exposure Draft Additional Exemptions for First-time Adopters: Amendments to IFRS 1

On behalf of the German Accounting Standards Board (GASB), I am writing to comment on the IASB Exposure Draft Additional Exemptions for First-time Adopters: Amendments to IFRS 1. We appreciate the opportunity to comment on the Exposure Draft.

The GASB supports the IASB objective to develop principle-based Standards. We know that the exemptions for first-time adopters are contrary to this rule. Furthermore, we understand that the exemptions are important for areas where the cost of complying with IFRS would be likely to exceed the benefits to users of financial statements.

The Board also pointed out that in several jurisdictions that will soon be applying IFRS (including US, Canada, Brazil) their national GAAP permits same determination such as in the proposals (e.g. recognition of regulatory assets and liabilities). Therefore, in order to reduce cost of IFRS adjustment, the proposed exemptions should be more broad than specific and include approximately all upcoming issues of first-time adopters in those jurisdictions.

With regard to deemed cost options for oil and gas assets, we prefer to refrain from expressing an opinion, because all considered entities are currently applying IFRS.

Firstly, we agree with the proposed deemed cost option for operations subject to rate regulations. But in our view the amendments should also apply to other regulated operations. Therefore, we propose to cease specifying rate regulations and to use a broader definition for all operations that are regulated. The GASB agrees with the proposal not to require a reassessment of whether an arrangement contains a lease.

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However, we believe that there are many other situations, where relief is necessary, e.g. IFRIC 9 – Reassessment of Embedded Derivatives. In our view a first-time adopter, who has been using a determination required by IFRS under its previous GAAP, should also be able to continue to apply that relief to leases.

If you would like to discuss any aspects of this letter in more detail, please do not hesitate to contact me.

Yours sincerely,

Liesel Knorr

President

ENTWURF



Appendix – Answers to the questions of the exposure draft

Deemed cost for oil and gas assets

Question 1: Do you agree with the proposed deemed cost option for entities using full cost accounting under previous GAAP? Why or why not? If not, what alternative do you propose and why?

- 1 With regard to deemed cost options for oil and gas assets, we prefer to refrain from expressing an opinion, because all considered entities are currently applying IFRS.

Oil and gas assets - disclosure

Question 2: The exposure draft proposes that if an entity uses the exemption described in Question 1 above, it must disclose that fact and the basis on which it allocated the carrying amounts to the underlying assets.

- 2 See our response to Question 1.

Deemed cost for operations subject to rate regulation

Q3: Do you agree with the proposed deemed cost option for entities with operations subject to rate regulation? Why or why not? If not, what alternative do you propose and why?

- 3 The GASB fully agrees with the proposed deemed cost option for entities with operations subject to rate regulation. Furthermore, we believe that the proposal could also be necessary for other items related to the imputed cost. In our opinion the proposal of deemed cost option should be possible for all entities with operations subject to regulation.
- 4 If an entity is using the proposed deemed cost option, we kindly insist that that fact must be disclosed.

Leases

Question 4: Do you agree with the proposal not to require the reassessment of whether an arrangement contains a lease in the circumstances described in this exposure draft? Why or why not?

- 5 We agree that a first-time adopter shall not be required to do the reassessment according to IFRS 1, if he has been applying the determination under previous GAAP as set forth in IFRIC 4. We believe that this proposal should also apply to all circumstances where a first-time adopter uses regulations under previous GAAP that are the same as those required by IFRS.



Assessment under previous GAAP before the date of transition to IFRSs

Question 5: Do you agree that the situation referred to in Question 4 is the only one in which additional relief of this type is needed? If not, in what other situation is relief necessary and why?

- 6 We disagree with the IASB decision not to adopt such a modification. As we stated in our response to question 4, the GASB believes that there could be many other circumstances where a first-time adopter uses regulations under previous GAAP that are the same as those required by IFRS.
- 7 Our understanding of this exemption is: An entity is a first-time adopter of IFRS which recognises a lease under previous GAAP in 2004. In 2007 the jurisdiction changed its determination for leases under previous GAAP according to IAS 17, and the entity applied those new rules. Hence, the entity could use the assessment under previous GAAP before the date of transition to IFRS. Therefore, the entity is not required to do the reassessment as set forth in IFRS 1. Only the date of transition is what changes in this situation.