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Berlin, 2 September 2013

Dear Françoise,

**EFRAG's DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON  
IFRIC Interpretation 21 – Levies**

On behalf of the German IFRS Committee I am writing to comment on EFRAG's Assessment of IFRIC 21 *Levies*.

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 interpretation. We therefore sent your assessment-form to the DAX30 entities and got feedback from two companies, which indicated that they agree with EFRAG's assessment.

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  
IFRIC INTERPRETATION 21 *LEVIES***

**INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS**

**Comments should be sent to [commentletters@efrag.org](mailto:commentletters@efrag.org) by 2 September 2013**

EFRAG has been asked by the European Commission to provide it with advice and supporting material on IFRIC Interpretation 21 *Levies* ('IFRIC 21' or 'the Interpretation'). In order to do that, EFRAG has been carrying out an assessment of IFRIC 21 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 IFRIC 21 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's 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:

Liesel Knorr, ASCG (Accounting Standards Committee

of Germany)

- (b) Are you a:

Preparer  User  Other (please specify)

National Standard Setter

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

see above (b)

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(d) Country where you are located:

Germany

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(e) Contact details including e-mail address:

knorr@drsc.de

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2 EFRAG's initial assessment of IFRIC 21 is that it meets the technical criteria for endorsement. In other words, it is not contrary to the principle of true and fair view and it meets 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.

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(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 IFRIC 21? If there are, what are those issues and why do you believe they are relevant to the evaluation?

none

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3 EFRAG is also assessing the costs that are likely to arise for preparers and for users on implementation of IFRIC 21 in the EU and European Economic Area, 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 2 to 7 of Appendix 3. To summarise, EFRAG's initial assessment is that there is no significant cost for the adoption of IFRIC 21 and that its benefit outweighs its cost.

*Draft Endorsement Advice on IFRIC 21 Levies*

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?

We as a National Standard Letter are not in a position to  
comment on this issue. Both 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 IFRIC 21. The results of the initial assessment of benefits are set out in paragraph 7 of Appendix 3. To summarise, EFRAG's initial assessment is that users are likely to benefit from IFRIC 21, as it is likely to reduce the diversity of accounting in practice thus enhancing comparability and consistency of the information provided to all stakeholders.

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?

We as a National Standard Letter are not in a position to  
comment on this issue. Both our constituents responding  
to this survey agree with EFRAG's assessment.

- 5 EFRAG's initial assessment is that the benefits to be derived from implementing IFRIC 21 in the EU and the European Economic Area 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?

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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 IFRIC 21.

*Draft Endorsement Advice on IFRIC 21 Levies*

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?

none

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**DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON  
IFRIC INTERPRETATION 21 *LEVIES***

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**EFRAG's 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:

Dr. Martin Schloemer, Bayer AG

- (b) Are you a:

Preparer  User  Other (please specify)

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

Healthcare, MaterialScience, CropScience

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(d) Country where you are located:

Germany

(e) Contact details including e-mail address:

Martin.schloemer@bayer.com

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(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.

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(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 IFRIC 21? 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?

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Do you agree with this assessment?

Yes  No

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*Draft Endorsement Advice on IFRIC 21 Levies*

Do you agree that there are no other factors?

Yes

No

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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

- (b) Are you a:

X Preparer  User  Other (please specify)

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

Gases / Chemistry / Engineering

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(d) Country where you are located:

Germany / globally

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(e) Contact details including e-mail address:

Dr. Hans-Dieter Fladung

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Klosterhofstraße 1, 80331 München

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Hans-dieter.fladung@linde.com

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*Draft Endorsement Advice on IFRIC 21 Levies*

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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