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Berlin, 08 March 2013

**14. Sitzung IFRS-FA am 07.03.2013**  
**14\_02a\_IFRS-FA\_ED\_SaleContribution\_EntwurfSN**

Dear Hans,

**IASB Exposure Draft ED/2012/6 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Proposed amendments to IFRS 10 and IAS 28)***

On behalf of the Accounting Standards Committee of Germany (ASCG), I am writing to comment on the IASB Exposure Draft ED/2012/6 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (herein referred to as 'ED'). The ASCG welcomes the intended clarification of the perceived inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in relation to the gain or loss recognition on the loss of control of a subsidiary, and therefore appreciates the opportunity to comment on the ED.

We support the IASB's intention to address the diversity in practice and agree with the proposals in the Exposure Draft.

Please find our detailed comments on the questions raised in the invitation to comment in the appendix to this letter.

If you would like to discuss our comments further, please do not hesitate to contact me.

Yours sincerely,

*Liesel Knorr*

President



## Appendix – Answers to the questions of the exposure draft

### Question 1: proposed amendment to IFRS 10

The IASB proposes to amend IFRS 10 so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture is recognised only to the extent of the unrelated investors' interests in the associate or joint venture. The consequence is that a full gain or loss is recognised on the loss of control of a subsidiary that constitutes a business, as defined in IFRS 3, including cases in which the investor retains joint control of, or significant influence over, the investee.

Do you agree with the amendment proposed? Why or why not? If not, what alternative do you propose?

The ASCG agrees with the proposed amendment to IFRS 10 so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture is recognised only to the extent of the unrelated investors' interests in the associate or joint venture.

We agree with the IASB's concern, that the existing requirements could result in the accounting for a transaction being driven by its form rather than by its substance, and support the intention to address the current diversity in practice. We rate the proposed amendments as the best way to address this issue.

Additionally, we would like to suggest to the IASB to evaluate whether supplementary disclosures regarding related party transactions are necessary or beneficial.



**Question 2: proposed amendment to IAS 28 (2011)**

The IASB proposes to amend IAS 28 (2011) so that:

- (a) the current requirements for the partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business, as defined in IFRS 3; and
- (b) the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture is recognised in full.

Do you agree with the amendment proposed? Why or why not? If not, what alternative do you propose?

As stated in our answer to Question 1, the ASCG supports the proposed amendment to IFRS 10. We deem the proposed amendment to IAS 28 (2011) to be consistent with the proposed requirements of IFRS 10, so that the existing inconsistency is removed, and therefore agree with it.

**Question 3: transition requirements**

The IASB proposes to apply the proposed amendments to IFRS 10 and IAS 28 (2011) prospectively to sales or contributions occurring in annual periods beginning on or after the date that the proposed amendments would become effective.

Do you agree with the proposed transition requirements? Why or why not? If not, what alternative do you propose?

The ASCG agrees with the proposed prospective application of the amendments to IFRS 10 and IAS 28 (2011) to sales or contributions occurring in annual periods beginning on or after the date that the proposed amendments would become effective.