



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

Wayne Upton  
Chairman of the  
IFRS Interpretations Committee  
30 Cannon Street  
London EC4M 6XH

United Kingdom

Telefon +49 (0)30 206412-12

Telefax +49 (0)30 206412-15

E-Mail [info@drsc.de](mailto:info@drsc.de)

Berlin, 20 January 2015

Dear Wayne,

### **IFRS IC's tentative agenda decisions in its November 2014 meeting**

On behalf of the Accounting Standards Committee of Germany (ASCG), I am writing to comment on the IFRS IC's tentative agenda decisions regarding several issues of IFRS 11 *Joint Arrangements* and two issues of IFRS 10 *Consolidated Financial Statements*, published in the November 2014 *IFRIC Update*. Please find our detailed comments in the appendix to this letter.

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

Yours sincerely,

*Liesel Knorr*

President



## **Appendix – Comments on recent tentative agenda decisions**

### ***IFRS 11 – Several issues***

We appreciate and support the substance of the IFRS IC's tentative agenda decisions and the clarifications they comprise. However, we have concerns about not developing any formal clarification of the standard, but declaring that sufficient guidance would exist and neither a clarification nor an interpretation is needed.

In our view, the IFRS IC's tentative agenda decisions are an important clarification of the underlying principles of IFRS 11 and are crucial to the application of IFRS 11. Therefore, we believe that merely publishing these clarifications as (tentative) agenda decisions would not be appropriate to the importance of these clarifications.

Thus, we urge the IFRS IC to hold onto its views, but to revise the tentative agenda decision by proposing a narrow-scope amendment which would add guidance to IFRS 11, based on the wording of the current tentative agenda decisions. Only if this is not deemed feasible, we would encourage the IFRS IC to publish the clarifications as agenda decisions, but in this case to also earmark these issues for future due process steps, i.e. the post-implementation review of IFRS 11.

### ***IFRS 10 – Control of a structured entity by an operating lessee and IFRS 10 – Control of a structured entity by a junior lender***

The November 2014 *IFRIC Update* states that the IFRS IC had not received any evidence that there was diversity in the application of IFRS 10 on these issues.

As communicated to the technical staff in their outreach on these issues, we observed that these transactions are common in Germany and that we see diversity in practice. As we think that IFRS 10 is lacking clarity, we would welcome additional guidance and would therefore appreciate further elaboration of these issues.