Dear Jean-Paul,

**EFRAG’s Draft Letter regarding endorsement of IFRS Interpretation 22**

On behalf of the Accounting Standards Committee of Germany (ASCG) I am writing to comment on EFRAG’s Draft Letter to the European Commission regarding Endorsement of IFRS Interpretation 22 *Foreign Currency Transactions and Advance Consideration* (IFRIC 22).

We support EFRAG’s preliminary assessment to recommend IFRIC 22 for endorsement. We agree with EFRAG’s conclusion that the guidance proposed by IFRIC 22 is consistent with the principles in IAS 21 and, despite our initial reservations flagged, believe that it is the most appropriate reading of the principles in IAS 21.

Like EFRAG, we consider all technical endorsement criteria being met. In assessing whether IFRIC 22 is conducive to the European public good we agree with EFRAG’s conclusion that it is likely to improve the quality of financial reporting when compared to current guidance as it reduces existing diversity in practice and as the benefits for both users and preparers are likely to exceed the costs of applying IFRIC 22.

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

Yours sincerely,

*Andreas Barckow*

President