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

HGB-FA– öffentliche SITZUNGSUNTERLAGE

Sitzung:	18. HGB-FA/ 15.09.2014 / 10:30 – 12:00 Uhr
TOP:	08 – EU-Fragebogen zu den Auswirkungen der IFRS in der EU
Thema:	Erörterung des Fragebogens
Papier:	18_08b_HGB-FA_IFRS-Evaluation_Praesentation



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1. Who are you?

1. In what capacity are you completing this questionnaire? → 10ter bullet **Public authority**

1.10 **national standard-setter**

2. **Germany**

3. **Accounting Standards Committee of Germany; Liesel Knorr, President**

4. Transparency Register: **DRSC ist noch nicht registriert**

5. **Contribution to be published under Accounting Standards Committee of Germany**

P.1. bis P.6.3. nur für Preparer

U.1. bis U.3.A. nur für User



2. Relevance of the IAS Regulation

Objective

6. The rationale for the IAS Regulation, imposing internationally accepted standards – the International Financial Reporting Standards (IFRS) - was to make companies use the same set of accounting standards, thus ensuring a high level of transparency and comparability of financial statements. The ultimate aim was to make EU capital market and the single market operate efficiently.

In your view, are the Regulation's objectives still valid today?

Yes No No opinion

6.1. Comments ?

6.2. If you think the IAS Regulation should pursue new goals in future, what should they be?

7. Has the IAS Regulation furthered the move towards establishing a set of globally accepted high-quality standards?

Yes No No opinion 7.1. Please explain



2. Relevance of the IAS Regulation

8. The obligation to use IFRS as set out in the IAS Regulation applies to the consolidated financial statements of EU companies whose securities are traded on a regulated market in the EU. There are about 7,000 such firms.

In your view, is the current scope of the IAS Regulation right (i.e. consolidated accounts of EU companies listed on regulated markets)?

Yes No No opinion

- 8.1. How would you propose it be changed?

By making IFRS compulsory for the individual accounts of listed companies on regulated markets

By making IFRS compulsory for the consolidated accounts of large non-listed companies

By allowing any company to opt for reporting under IFRS

Other – please specify

Comments



2. Relevance of the IAS Regulation

9. National governments can decide to extend the application of IFRS to:
- individual annual financial statements of companies listed on regulated markets
 - consolidated financial statements
 - other companies' individual annual financial statements

In your view, are the options open to national governments:

Appropriate Too wide Too narrow No opinion

9.1. Please give details



3. Cost-benefit analysis of the IAS Regulation

10. Do you have pre-IFRS experience / experience of the transition process to IFRS?

Yes No

11. In your experience, has applying IFRS in the EU made companies' financial statements more transparent (e.g. in terms of quantity, quality and usefulness of accounts and disclosures) than they were before mandatory adoption?

significantly more transparent

Slightly more transparent

No change

Slightly less transparent

Significantly less transparent

No opinion

please elaborate



3. Cost-benefit analysis of the IAS Regulation

12. In your experience, has applying IFRS in the EU altered the comparability of companies' financial statements, compared with the situation before mandatory adoption?

Significantly increased / slightly increased / no change / slightly reduced / significantly reduced / no opinion

in your country / EU-wide / compared with non-EU countries

Please elaborate

13. Have financial statements become easier to understand since the introduction of IFRS, compared with the situation before mandatory adoption?

yes, in general / Yes, but only in certain areas / no, in general / no, except in certain areas / no opinion

in which areas?

Please elaborate



3. Cost-benefit analysis of the IAS Regulation

14. Has the application of IFRS in the EU helped create a level playing field for European companies using IFRS compared with the situation before mandatory adoption?

Yes / Yes, to some extent / No / No opinion

Please elaborate

15. Based on your experience, to what extent has the application of IFRS in the EU affected access to capital (listed debt or equity) for issuers in domestic and non-domestic markets that are IFRS reporters?

made it a lot easier / made it easier / no effect / made it more difficult / made it a lot more difficult / no opinion

domestic capital / EU capital other than domestic / non-EU capital

please provide data / examples if available



3. Cost-benefit analysis of the IAS Regulation

16. In your experience, has the application of IFRS in the EU had a direct effect on the overall cost of capital for your company or the companies you are concerned with ?
(Please distinguish – as far as possible – the impact of IFRS from other influences, eg other regulatory changes in the EU and the international credit crunch and crisis).
cost has fallen significantly / **X** cost has fallen slightly / no effect / cost has risen slightly /
cost has risen significantly / no opinion
please provide data / examples if available



3. Cost-benefit analysis of the IAS Regulation

17. In your view, has the application of IFRS in the EU improved protection for investors (compared with the situation before mandatory adoption, through better information and stewardship by management?)

X Yes, to a great extent / yes, to a small extent / it had no impact / no, protection for investors has worsened / no opinion

Please provide data / examples if available

18. In your view, has the application of IFRS in the EU helped maintain confidence in financial markets, compared with the likely situation if it had not been introduced?

X Yes, to a great extent / Yes, to a small extent / It had no impact / no, confidence in financial markets has decreased / no opinion

Please provide data / examples if available



3. Cost-benefit analysis of the IAS Regulation

19. Do you see other benefits from applying IFRS as required under the IAS Regulation?

Yes / No / No opinion

Yes – please specify (you may select more than 1 option)

Improved ability to trade / expand internationally

Improved group reporting in terms of process

Robust accounting framework for preparing financial statements administrative savings

Group audit savings

Other – please specify

If yes, please give details, with examples / data if possible



3. Cost-benefit analysis of the IAS Regulation

20. In your experience, on balance and on a global level, how do the benefits of applying IFRS compare to any additional costs incurred – compared with the situation before mandatory adoption, bearing in mind the increasing complexity of businesses that accounting needs to portray?

Benefits significantly exceed the costs

Benefits slightly exceed the costs

Benefits and costs are broadly equal

Costs slightly exceed the benefits

Costs significantly exceed the benefits

No opinion

Please provide any additional comments you think might be helpful

P7 – P9 / U4 – U7 auslassen



3. Cost-benefit analysis of the IAS Regulation

PA 1 How would you rate the administrative and regulatory burden for your authority (e.g. reporting, enforcement) arising from the ongoing application of IFRS (excluding costs relating to the initial transition to IFRS)

no significant impact

Some impact

Heavy burden

No opinion



4. Endorsement

21. In the EU, IFRS are adopted on a standard-by-standard basis. The process, which typically takes 8 months, is as follows:

The IASB issues a standard / EFRAG holds consultations, advises on endorsement and examines the potential impact / the Commission drafts an endorsement regulation / the ARC votes and gives an opinion / the European Parliament and Council examine the standard / the Commission adopts the standard and publishes it in the Official Journal
Do you have any comments on the way the endorsement process has been or is being conducted (e.g. In terms of interaction of players, consistency, length, link with effective dates of standards, outcome, etc.)



4. Endorsement

22. Under Article 3.2. of the IAS Regulation, any IFRS to be adopted in the EU must:
- Be consistent with the “true and fair” view set out in the EU’s Accounting Directive
 - Be favourable to the public good in Europe
 - Meet basic criteria on the quality of information required for financial statements to serve users (i.e. Statements must be understandable, relevant, reliable and comparable, they must provide the financial information needed to make economic decisions and assess stewardship by management)

Are the endorsement criteria appropriate (sufficient, relevant and robust)?

Yes / Yes, to some extent / No / No opinion



4. Endorsement

22. In his October 2013 report, Mr Maystadt discussed the possibility of clarifying the “public good” criterion or adding 2 other criteria as components of the public good:

- That any accounting standards adopted should not jeopardise financial stability
- That they must not hinder the EU’s economic development

Please give any suggestion(s) you may have for additional criteria

Not jeopardising the EU’s financial stability

Not hindering economic development in the EU

Not impeding the provision of long-term finance

More explicit reference to the concept of prudence

Consistency with other adopted IFRS

Criterion concerning simplicity / proportionality

Other – please specify

Comments



4. Endorsement

23. There is a necessary trade-off between the aim of promoting a set of globally accepted accounting standards and the need to ensure these standards respond to EU needs. This is why the IAS regulation limits the Commission's freedom to modify the content of the standards adopted by the IASB.

Does the IAS Regulation reflect this trade-off appropriately, in your view?

yes / no / no opinion

if not, do you think the IAS Regulation should allow the Commission more leeway to modify standards adopted by the IASB? What conditions should be stipulated?

24. Have you experienced any significant problems due to differences between the IFRS as adopted by the EU and the IFRS as published by the IASB ("carve-out" for IAS 39 concerning macro-hedging allowing banks to reflect their risk-management practices in their financial statement)?

yes / no / no opinion

If so, please explain the nature of the problem and how it has (or has not) been resolved



5. Quality of IFRS financial statements

25. What is your overall opinion of the quality (transparency, understandability, relevance, reliability and comparability) of financial statements prepared by EU companies using IFRS?

very good / **X** good / moderate / low / very low / no opinion

please provide any additional comments you think might be helpful

26. Given that firms have complex business models and transaction, how would you rate financial statements prepared in accordance with IFRS in terms of complexity and understandability?

very complex & difficult to understand / fairly complex & difficult to understand / **X**

reasonable / not complex or difficult / no opinion

please provide any further comments you think might be helpful, specifying any particular areas of accounting concerned, if appropriate



5. Quality of IFRS financial statements

27. How would you rate financial statements prepared using IFRS in terms of complexity and understandability – compared with other sets of standards you use
IFRS information is easier to understand than... / IFRS information is neither easier nor more difficult to understand than... / IFRS information is more difficult to understand than... / no opinion
your local GAAPs / any other GAAPs

27.1. what are your local GAAPs?

German Commercial Code, ie EU Accounting Directive as transposed into national law

please identify other GAAPs you are using as a basis for comparison

please provide any additional comments you think might be helpful



5. Quality of IFRS financial statements

28. How do IFRS compare with other GAAPs in terms of providing a true and fair view of a company's (group's) performance and financial position?

IFRS are better than... / IFRS are equivalent to... / IFRS are worse than... / no opinion

...your local GAAPs (as identified under question 27)

...any other GAAPs (as identified under question 27)

please provide any additional comments you think might be helpful

29. How often is it necessary to depart from IFRS under “extremely rare circumstances” (as allowed by IFRS)

often / sometimes / hardly ever / never / no opinion

please provide additional comments and examples of departures from IFRS that you have seen



5. Quality of IFRS financial statements

30. How would you rate the extent to which IFRS allow you to reflect your company's business model in your financial statements?

This is not an issue / IFRS are flexible enough / IFRS should be more flexible, so different business models can be reflected / no opinion
please explain



6. Enforcement

31. Are IFRS adequately enforced in your country?

yes / yes, to some extent / no / not applicable / no opinion

please provide any additional comments you think might be helpful

32. Does ESMA coordinate enforcers at EU level satisfactorily?

yes / yes, to some extent / no / not applicable / no opinion

please provide any additional comments you think might be helpful

33. Has enforcement of accounting standards in your country changed with the introduction of IFRS?

enforcement is now more difficult / same / enforcement is now easier / not applicable / no opinion

please provide any specific relevant examples



6. Enforcement

34. In your experience, have national law requirements influenced the application of IFRS in the EU country or countries in which you are active?

yes, significant influence / yes, small influence / no / no opinion / not applicable

if you have identified differences in the way IFRS are applied in different EU countries, to what extent does this limit the transparency and comparability of company financial statements?

much less transparent & comparable / slightly less transparent & comparable / no impact on transparency or comparability / no opinion

Please detail

35. If you are aware of any significant differences in enforcement between EU countries or with other jurisdictions, do they affect your practice in applying IFRS or analysing financial statements?

yes, significantly / yes, but the impact is limited / no / no opinion / not applicable

please provide specific details



6. Enforcement

36. The recitals of the IAS Regulation stress that a system of rigorous enforcement is key to investor confidence in financial markets. However, the Regulation contains no specific rules on penalties or enforcement activities, or their coordination by the EU.

Should the IAS Regulation be clarified as regards penalties and enforcement activities?

Yes / no / no opinion

please explain

37. Should more guidance be provided on how to apply the IFRS?

Yes / no / no opinion

if so, by whom? Please detail.



7. Consistency of EU law

38. How would you assess the combined effects of, and interaction between, different reporting requirements, including prudential ones?
39. Do you see any tensions in interaction between the IAS Regulation and EU law, in particular:
- no / yes / to some extent / no opinion
 - ...prudential regulations (banks, insurance companies)
 - ...company law
 - ...other please specify
- if you answered “yes” or ”to some extent”, please give details and state what the main effects of these tensions are.



8. User-friendliness of legislation

40. Are you satisfied with the consolidated version of *IFRS standards adopted by the EU*, which is not legally binding, or would you like to see improvements?

satisfied / need for improvements / I wasn't aware of it / I don't use it / no opinion
need for improvements – please specify

41. are you satisfied with the quality of translation of IFRS into your language provided by the EU?

yes / yes, to some extent / no / no opinion / not applicable
please give details



9. General

42. Do you have any other comments on or suggestions about the IAS Regulation?



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