



DRSC • Zimmerstr. 30 • 10969 Berlin

Mr Stig Enevoldsen
Chairman
EFRAG Technical Expert Group
13-14, Avenue des Arts
B-1210 Brussels

Telefon +49 (0)30 206412-13

Telefax +49 (0)30 206412-15

E-Mail wiedmann@drsc.de

Berlin, 13 October 2006

Adoption of IFRIC 10 *Interim Financial Reporting and Impairment*

Dear Stig,

We do not agree with the EFRAG's positive advice to the European Commission on adopting IFRIC 10 *Interim Financial Reporting and Impairment*.

The German Accounting Standards Board (GASB) and its Accounting Interpretation Committee (AIC) have closely followed IFRIC's due process in developing the interpretation in its role as liaison standardsetter. The GASB and the AIC welcome IFRIC's aim to support the IASB in establishing and improving International Financial Reporting Standards.

As already set out in the AIC's comment letter on the draft Interpretation IFRIC D18 (eventually published as IFRIC 10 with no material changes) it causes great concerns to us that IFRIC 10 lacks a conceptual foundation and is solely rule-based. This is not in line with the IFRIC's explicit policy (stated in the Draft IFRIC Handbook) to issue principle-based interpretations. Furthermore, the GASB and the AIC believe that the frequency of reporting should not determine the accounting in the annual financial statements. Finally, while the GASB and the AIC appreciate the IFRIC's efforts to clarify the interaction between the requirements of IAS 34 and certain impairment losses, we doubt that the matter can be dealt with in an interpretation and suggest that the IASB should consider taking a project on IAS 34 on its agenda as soon as possible.

We understand that the EFRAG is aware of the crucial benefits and shortcomings of IFRIC 10, but eventually concluded that the benefit of short-term clarity outweighs, in balance, the conceptual deficiencies of IFRIC 10. However, we consider these deficiencies as being that fundamental that we are not able to subscribe to the EFRAG's decision. As a consequence, the GASB concluded that the interpretation does not meet all of the requirements of the Regula-

Zimmerstr. 30 · 10969 Berlin · Telefon +49 (0)30 206412-0 · Telefax +49 (0)30 206412-15 · E-Mail: info@drsc.de

Bankverbindung: Deutsche Bank Berlin, Konto-Nr. 0 700 781 00, BLZ 100 700 00


Vereinsregister: Amtsgericht Berlin-Charlottenburg, VR 18526 Nz

Vorstandsausschuss:

Heinz-Joachim Neubürger (Vorsitzender), Dr. Helmut Perlet (Stellvertreter), Dr. Werner Brandt (Schatzmeister), Dr. Kurt Bock
Generalsekretärin: Liesel Knorr



Deutsches Rechnungslegungs Standards
German Accounting Standards

Committee e. V. 

tion (EC) No 1606/2002 of the European Parliament and of the Council and therefore does not recommend the endorsement of IFRIC 10 *Interim Financial Reporting and Impairment*.

If you would like any clarification of these comments please do not hesitate to contact me.

Yours sincerely,

Prof. Dr. Harald Wiedmann
President