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Adoption of IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions*

Dear Stig,

We agree with your positive advice to the European Commission on adopting IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions*.

The German Accounting Standards Board (GASB) and the Accounting Interpretations Committee (AIC) welcome the IFRIC's aim to support the IASB in establishing and improving International Financial Reporting Standards. The GASB agrees that guidance is needed if the share-based payment arrangements addressed in IFRIC 11 should be accounted for as equity-settled or cash-settled transactions under IFRS 2.

The GASB supports IFRIC 11, but would have welcomed if the two share-based payment arrangements described in IFRIC 11.3 were not accounted for differently because – in terms of their economic substance – they are rather similar. Thus, we share the concerns that are discussed in IFRIC 11.BC15 and in the Basis for Conclusions (paragraph 22) of the EFRAG's endorsement advice. On balance, however, this shortcoming of IFRIC 11 does not outweigh the benefits of this Interpretation. The GASB concluded that IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions* meets the requirements of the Regulation (EC) No 1606/2002 of the European Parliament and of the Council and therefore recommends the endorsement of this Interpretation.

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

Yours sincerely,

Prof. Dr. Harald Wiedmann

President

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