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Berlin, 6 March 2007

Adoption of IFRIC 12 *Service Concession Arrangements*

Dear Stig,

The German Accounting Standards Board (GASB) appreciates the opportunity to respond to the EFRAG's draft endorsement advice on IFRIC 12 *Service Concession Arrangements*.

While all members of the GASB agree that guidance is needed how to account for service concession arrangements they were divided if IFRIC 12 establishes an appropriate accounting model for these arrangements. One half of the members voted against the EFRAG's positive endorsement advice on IFRIC 12 and referred to the comment letter of the Accounting Interpretations Committee (AIC) on the draft Interpretations IFRIC D12-14 (eventually published as IFRIC 12). These members noted that most critical issues that were discussed in the AIC's comment letter have not been resolved in the course of the IFRIC's redeliberations of the draft Interpretations so that essential deficiencies remain in IFRIC 12.

The other half of the GASB members did not support the EFRAG's positive endorsement advice on IFRIC 12 either, but they also refrained from voting against it. Due to the lack of a sufficient majority within the GASB, the GASB was unable to reach a conclusion if the Interpretation meets or does not meet all of the requirements of the Regulation (EC) No 1606/2002 of the European Parliament and of the Council. Therefore, the GASB does not give a recommendation on the endorsement of IFRIC 12 *Service Concession Arrangements*.

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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