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### **Adoption of IFRIC 9 *Reassessment of Embedded Derivatives***

Dear Stig,

We agree with your positive advice to the European Commission on adopting IFRIC 9 *Reassessment of Embedded Derivatives*.

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 embedded derivatives have to be subsequently reassessed throughout the life of the contract and on what basis a first-time adopter should make its assessment of embedded derivatives.

The GASB supports IFRIC 9, but would have welcomed if the Interpretation had been enlarged by the issue whether an acquirer is required to assess a hybrid instrument of an acquiree at the time of a business combination. This issue that has also been raised in the comment letter of the AIC was controversially discussed among our constituents and would have warranted an explicit statement by the IFRIC.

The GASB concluded that the Interpretation meets the requirements of the Regulation (EC) No 1606/2002 of the European Parliament and of the Council and therefore recommends the endorsement of IFRIC 9 *Reassessment of Embedded Derivatives*.

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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