

**Report by the ASCG on the  
64<sup>th</sup> meeting of its IFRS Technical Committee  
18<sup>th</sup> and 19<sup>th</sup> January 2018 in Berlin**

At the beginning of its meeting, the IFRS Technical Committee discussed the scope and the details of a potential ASCG guidance on the accounting for interest and penalties on income taxes within the German legal context. The Committee observed that the key question to be clarified would be whether interest and penalties related to income taxes are based on taxable profits and, accordingly, are within the scope of IAS 12. In this respect, the wording of IAS 12 is not sufficiently clear. The discussion will be continued in the next meeting.

The IFRS Technical Committee was briefed about the latest developments of the IASB project **Primary Financial Statements**. The briefing focused on tentative decisions regarding potential presentation changes for the statement of financial performance.

Furthermore, the Committee's agenda included the IASB Research Project on **Financial Instruments with Characteristics of Equity**. Main subject was the tentative views of the Board on classifying claims against an entity based on the IASB's Gamma approach.

The Committee also debated on EFRAG's **Draft Endorsement Advice on Amendments to IAS 28** and decided to submit a comment letter by which the ASCG would explicitly support the positive endorsement advice.

Further, the IFRS Technical Committee deliberated its draft comment letter to the IFRS IC that refers to the tentative agenda decisions taken in its November 2017 meeting. After re-assessing the decision on the IFRS 9 issue, the IFRS Technical Committee changed its prior decision and decided to comment only on the reasoning regarding the two IFRS 15 issues.

In light of the endorsement process of IFRS 17 *Insurance contracts* the Committee considered the status of discussions on the subject. In particular, the IFRS Technical Committee addressed implementation issues raised by the ASCG Insurance Working Group as well as the future work of the IASB's Transition Resource Group. Furthermore, the Committee discussed the requirements of IFRS 17 concerning the accounting for reinsurance contracts.

Finally, the IFRS Technical Committee deliberated a current draft of a supplement on the IDW's (Institute of Public Auditors in Germany) modular position paper RS HFA 50 relating to IFRS 9. The Committee considered the proposals not to be sufficiently clear enough as the reasoning seem to contain hidden assumptions. The Committee decided to submit its findings by a comment letter to the IDW.

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