

**Report by the ASCG on the  
70<sup>th</sup> meeting of its IFRS Technical Committee  
11<sup>th</sup> and 12<sup>th</sup> October 2018 in Berlin**

At the beginning of its meeting, the IFRS Technical Committee discussed the draft feedback statement on the **ASCG Interpretation 4 (IFRS) Accounting for Interest and Penalties Related to Income Taxes under IFRSs**. In this context, the Committee also discussed the IFRS Interpretations Committee's (IFRS IC) tentative agenda decision on accounting for deposits relating to taxes other than income tax and its potential impact on the provisions of ASCG Interpretation 4. The IFRS Technical Committee agreed that the content of ASCG Interpretation 4 only covers the question as to whether assets or obligations from interest and penalties related to income taxes are to be recognised, but not whether, how and when any (pre)payments made are to be recognised, which is the subject of the above-mentioned IFRS IC decision. The IFRS Technical Committee considered it appropriate to first await the outcome of the IFRS IC discussions before examining whether ASCG Interpretation 4 deserves an adjustment or supplement.

Further, the IFRS Technical Committee deliberated the issues and decisions of the **IFRS Interpretations Committee** reached at its September 2018 meeting. The Technical Committee agreed with the final agenda decisions, while it then discussed in detail the tentative decisions. The Technical Committee did not fully agree with the decisions on issues about IFRS 9, IFRS 15, and IAS 37 and therefore intends to submit its findings by a comment letter to the IFRS IC.

Subsequently, the IFRS Technical Committee was informed about current discussions in respect of **IFRS 17 Insurance Contracts**. At its October meeting, the IASB will be informed about the results and open points from the three TRG meetings as well as about criticisms it has received on the standard. For both issues, the question is whether and to what extent the IASB is prepared to amend IFRS 17 to a limited extent and how relevant aspects should be evaluated. A catalogue of criteria has been developed for their selection and the further procedure. No decisions on individual issues are not expected in October. Against this background, while also acknowledging that the endorsement process is currently put on hold, the IFRS Technical Committee will focus on the IASB discussions when deliberating IFRS 17 in the near future.

The IFRS Technical Committee continued deliberating the IASB Discussion Paper **DP/2018/1 Financial Instruments with Characteristics of Equity** and discussed the remaining chapters five to eight. On the basis of the recent discussions a comment letter will be drafted. This letter shall be discussed at the next meeting of the IFRS Technical Committee.

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Finally, the IFRS Technical Committee received a summary about the key changes of the **Conceptual Framework for Financial Reporting**. The IFRS Technical Committee made no technical decisions.

The intended pre-discussion of EFRAG's upcoming Discussion Paper **Transfers other than Exchanges of Equal Value** was deferred to the next meeting of the IFRS Technical Committee.