

**Report by the ASCG on the  
40<sup>th</sup> meeting of the German GAAP Technical Committee  
1<sup>st</sup> meeting of the Joint Technical Committees  
63<sup>rd</sup> meeting of the IFRS Technical Committee  
29<sup>th</sup> November 2018 in Berlin**

***40<sup>th</sup> meeting of the German GAAP Technical Committee***

The German GAAP Technical Committee continued its discussions about the review of **GAS 18 Deferred Taxes** and started its review of **GAS 3 Segment Reporting**.

In preparation for the revision of **GAS 18**, the German GAAP Technical Committee discussed further topics pertaining possible changes or additions. The Committee discussed in particular the different treatment of deferred tax assets in the consolidated financial statements in accordance with section 274(1) in conjunction with section 298(1) and section 306 of the German Commercial Code, depending on their origin. The Committee concluded that, conceptually, the differences in treatment were not justified. The German GAAP Technical Committee decided to include this issue in the public consultation process on a future exposure draft of a revised GAS 18. Furthermore, the Committee discussed the regulations on the treatment of deferred taxes on tax loss carryforwards in accordance with section 274(1) of the German Commercial Code and their interpretation in GAS 18 and confirmed the procedure codified in GAS 18.21, according to which tax loss carryforwards shall be taken into account when determining deferred tax assets, irrespective of the timing of their realization, if an excess of taxable temporary differences arises.

At this meeting, the German GAAP Technical Committee started its review of the regulations of **GAS 3 Segment Reporting** and discussed the 'Objective' and 'Scope' of the standard. The more stringent implementation of the Management Approach was the main topic of discussion, with the intention of improving the decision usefulness of the consolidated financial statements and reducing information deficits.

***1st meeting of the Joint Technical Committee***

The Joint Technical Committee received information about the **Draft of the Law Implementing the Second Shareholder Rights Directive** (RefE ARUG II) and the **Amendments to the German Corporate Governance Codex** (*Deutscher Corporate Governance Kodex*). The Committee deliberated the content of an ASCG Comment letter to the Federal Ministry of Justice and for Consumer Protection.

Furthermore, the Joint Technical Committee discussed whether the **Draft Framework for Reporting Performance Measures** as published by the Canadian Standard Setter AcSB would represent a useful approach in Germany. The Joint Technical Committee concluded that no immediate action was required to develop similar guidance.

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