DRSC

A Stable Connection

Annual Report 2019

Accounting Standards Committee of Germany

The constant social, political, environmental and technological transformation is having a direct impact on financial reporting. This poses major challenges for standard-setters, preparers, auditors and users of external accounting alike. We have learnt from experience that successfully shaping change requires flexibility, of course, but also stability. For more than 20 years, we have continuously and consistently promoted the further development of financial reporting in the general economic interest.

With this in mind, we have chosen 'symmetry' as the central theme of our 2019 Annual Report. It represents balance and harmony, and perfectly symbolises what was again the overriding characteristic of our work in 2019: stability. This stability builds on the values that determine our actions time and again: cooperation, quality, responsibility, reliability, expertise and trust. Coupled with our decades-long experience, this will allow us to rise to any challenges the future holds – you can rely on it!

CONTENTS

Ladies and gentlemen, dear ASCG members,

The ASCG's work in 2019 was again dominated by numerous financial and non-financial corporate reporting initiatives at German, European and global level.

The European Commission Action Plan on Sustainable Finance of March 2018, which sets out a raft of legislative measures, continued to play a major role. The measures include the extension of the Commission guidelines on non-financial reporting, the final version of which – entitled *Guidelines on reporting climate-related information* – was published in June 2019. We closely followed the development of these guidelines and participated in the formal consultation process. Among other things, the ASCG criticised the lack of coherence between the requirements of the European CSR Directive and the recommendations of the G20 Task Force on Climate-related Financial Disclosures. We also took various opportunities to publicly discuss our criticisms and exchange views with other stakeholders. Initiatives and consultations on the revision of the CSR Directive will ensure that the ASCG's in-depth activities in this area continue in the coming year, which I am looking forward to with anticipation.

There is a general trend towards greater convergence between different aspects of financial reporting. As a result, there was more dovetailing between the work of our German GAAP and IFRS Technical Committees last year, with the relevant issues also discussed by the newly established Joint Technical Committee.

By way of example, I would like to highlight the ASCG's work on the implementation of the Act to Transpose the Shareholder Rights Directive II (*Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie*, ARUG II), specifically with regard to reporting and the standardisation of remuneration reporting for members of governing bodies. Although we recognise that the main focus of the ASCG's work is German commercial law, I would take a critical view if the ASCG were not appropriately involved in the process of amending the Stock Corporation Act.

Digitalisation remains a key topic for the ASCG. We have thus closely tracked the upcoming national legislative process in relation to the European Single Electronic Format (ESEF), both through the work of our technical committees and by establishing an additional preparer forum on digital financial reporting, which has been very well received.

Alongside these overarching issues, our deliberations on German Accounting Standards and IFRS financial reporting remain the cornerstones of our work.

The German GAAP Technical Committee adopted German Amendment Accounting Standards No. 9 and No. 10 in October 2019. These address the implications of ARUG II and amendments to GAS 25 *Currency Translation in Consolidated Financial Statements*, as well as further editorial changes (particularly updates to legal references). The review of GAS 3 *Segment Reporting* and GAS 18 *Deferred Taxes* is next on the agenda. Corresponding drafts – in the form of D-GAS 36 and D-GAAS 11 – have already been exposed for the review. These projects are expected to be concluded in the first half of 2020.

▲ **Dr Ralf P. Thomas**
Chairman of the Administrative Board

During the year, the IFRS Technical Committee also discussed various draft standards issued by the IASB, the EU endorsement process and a number of proactive projects presented by EFRAG. I would like to highlight two topics which I consider to be deserving of political evaluation in addition to discussion in the technical committees. The first relates to developments relating to the EU endorsement of IFRS 17 *Insurance Contracts*, particularly the suspension of the process as called for by the IASB due to its current redeliberation of the standard. The second is EFRAG's work on the project on accounting for equity instruments and potential alternative accounting treatments under IFRS 9 *Financial Instruments*, prompted by the request from the European Commission. In both cases, specific interests of individual EU Member States have come to the fore. The question of the extent to which special European solutions or separate EU standards are a viable alternative for corporate reporting is increasingly being raised. The ASCG's stance is clearly opposed to this approach. In our view, global standard-setting represents the best basis for internationally active companies. How far Europe can and should take a leading role in this process remains to be seen.

With regard to technical matters, the discussions on IBOR reform and its impact on financial reporting are also noteworthy. As a first step, the IASB proposed amendments to address the accounting issues in advance of the move to alternative benchmark interest rates. The IFRS Technical Committee closely tracked the development of these amendments and the subsequent accelerated European endorsement procedure. Accounting for the actual change in benchmark interest rates is the subject of a second project phase, which we will actively monitor in 2020.

Work on the interpretation activities and the role of the IFRS Interpretations Committee is gaining traction. The main issues concern how rule-based financial reporting should be structured in principle and the extent to which the Committee's decisions are binding. We were able to discuss these matters in person with IFRS Interpretations Committee Chair and IASB Vice-Chair, Sue Lloyd, who attended our IFRS Technical Committee meeting in June 2019.

At this point, I would like to turn from technical issues to personnel changes in our governing bodies and technical committees.

Overall, the number of association members has not changed. The addition of three new members made up for the three departures at the end of 2019 (Bilfinger SE, innogy SE and Villeroy & Boch AG). I would like to thank the former member companies for their many years of loyalty. At the same time, I would like to extend a warm welcome to our new members, MTU Aero Engines AG (from 1 April 2019), Covestro AG (from 3 July 2019) and AMANA treuhand Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH (from 15 December 2019).

We also welcome Götz Treber, who became a member of the ASCG Administrative Board on 2 July 2019. He heads the Financial Regulation department at the German Insurance Association (GDV) and replaces Dr Axel Wehling, who has left the GDV. I am extremely grateful to Dr Wehling for his work on the ASCG's governing bodies and his exemplary contribution as a representative of the association.

Following the introduction of phased terms of office in 2016, 2019 saw the first regular rotation of the two technical committees' members. I am delighted that so many excellent candidates again put themselves forward for the roles and would like to thank all applicants, as well as the Nomination Committee for its hard work in the selection process. Ultimately, the Administrative Board reappointed Claudia Nikolic (Category: Preparer – Insurance) for four years and newly appointed Prof. Dr Brigitte Eierle (Category: Academic) for five years, both with effect from 1 December 2019. Prof. Dr Isabel von Keitz left her position to concentrate on governing body activities outside of the ASCG. Jens Berger (Category: Auditor) was appointed to the IFRS Technical Committee for a period of five years as of 1 December 2019, joining Andreas Thiele (Category: Preparer – Insurance) who was appointed on 2 July 2019 for a period of three years and five months. Guido Fladt and Bianca Hoffman were unfortunately unable to be re-elected to the committee due to the scheduled rotation of members or for professional reasons and therefore left their positions.

Turning my attention to the personnel changes ahead of us: the regular election of the members of the 20-strong Administrative Board, including the Chair, will take place in July 2020. After careful consideration, I have taken the decision not to stand for re-election and to hand over the baton to someone new after my many years of service for the ASCG. I can assure you that I will maintain a close relationship with the association in the future. I am sure that you will do the same.

I would like to thank the President, the Executive Director and all staff members on behalf of my colleagues on the Administrative Board for their expert, unreserved and dedicated cooperation. The ASCG's Administrative Board and Secretariat will continue to address the emerging challenges in the economic and political environment. I would like to wish the ASCG continued success in fulfilling its many and varied tasks in the future.

Sincerely

Ralf P. Thomas
Chairman of the Administrative Board

Dear ASCG members and financial reporting stakeholders,

The past twelve months have been relatively peaceful compared with the anniversaries, extensive reorganisations and far-reaching consultations of recent years. However, this unfamiliar calm is unlikely to last for long and major developments are already on the horizon, with initial proposals for the revision of the CSR Directive expected from Brussels and several IASB consultation papers foreshadowed for 2020. Internally, alongside the upcoming scheduled re-election of the Administrative Board and Nomination Committee, our attention will also turn to the expiry of our lease. We have shaped the ASCG's development from Zimmerstrasse in the centre of Berlin for fifteen years now, but a change in the landlord's ownership means that it is not possible to extend the lease any further. We have been looking for new premises for the past few months and will be able to provide specific details in our first quarterly report.

With regard to administrative matters, we would like to draw your attention to the following membership changes. Bilfinger SE, innogy SE and Villeroy & Boch AG left the association at the end of the year. We are grateful to these three companies for the many years' support they have given us. At the same time, we are pleased to report that Covestro AG and MTU Aero Engines AG have joined us in the publicly traded entities segment and that AMANA treuhand Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH is a new audit firm member. At year-end, 75 companies and associations were members of the ASCG, alongside the two individual members.

In addition, the past year was the first time that the phased terms of office for the technical committees, which were introduced three years ago, took effect. In the German GAAP Technical Committee, the terms of office of Claudia Nikolic (Bayerische Beamten Lebensversicherung a. G.) and Prof. Dr Isabel von Keitz (Münster University of Applied Sciences) came to an end. Claudia Nikolic was re-appointed for a further four-year term, while Prof. Dr Isabel von Keitz decided not to stand again for professional reasons. As her replacement, the Administrative Board appointed Prof. Dr Brigitte Eierle (University of Bamberg) as a new member. In the IFRS Technical Committee, the term of office of Guido Fladt (PricewaterhouseCoopers GmbH) came to an end and could not be extended again after eight years of committee membership. The Administrative Board appointed Jens Berger (Deloitte GmbH) as his replacement. Finally, a successor needed to be found for Bianca Hoffman (Allianz SE), who stepped down from her position early for professional reasons. Andreas Thiele (also Allianz SE) was appointed to replace her. We would like to extend our warmest thanks to these former members for their participation in the technical committees; all three have played a major part in shaping and successfully steering the committees' work. Particular thanks go to Guido Fladt, who has not only been instrumental in defining the work of the IFRS Technical Committee over the past eight years, but was also a member of the Accounting Interpretations Committee – which he also chaired for its final three years – before the ASCG was restructured.

Prof. Dr Sven Morich (left)
Prof. Dr Andreas Barckow (right)
Executive Committee

In the middle of the year, we welcomed high-ranking visitors from London, with the 22 trustees of the IFRS Foundation, which supervises the work of the IASB, meeting in Germany for the first time since 2014. We took this opportunity to jointly organise an exclusive stakeholder event with the IFRS Foundation, which we held at the BMW Group Classic premises in Munich. In his welcome speech, host and BMW AG CFO Dr Nicolas Peter set the tone for the evening, passionately putting the case for global standards over national or regional initiatives. The guests were then addressed by Chair of the IFRS Foundation Trustees, Finland's Erkki Liikanen, and German trustee Dr Werner Brandt, who presented their views. This was followed by an exciting panel discussion on the relevance of financial reporting in the current environment, during which Ute Wolf (Evonik Industries AG), Prof. Dr Matthias Meitner (ISM International School of Management), Hans Hoogervorst (IASB) and the ASCG President held a lively debate on a variety of current issues and trends in financial reporting moderated by Prof. Jörg Rocholl, President of the ESMT Berlin. This thought-provoking evening was rounded off by dinner, where guests had ample opportunity for further discussion.

Let us now turn to our technical work. In the German GAAP Technical Committee, we focused on the review of the standards on segment reporting (GAS 3) and deferred taxes (GAS 18) and published exposure drafts of successor standards. The deliberations for both projects centred on possible simplifications, since the technical committee did not view their alignment with IFRSs at the time as strictly necessary. Instead, the costs and benefits of more extensive reporting have again been reviewed and assessed in light of the criticism received. Both projects are scheduled to be finalised in the first half of 2020. In addition, a need for clarification regarding GAS 25 *Foreign Currency Translation in Consolidated Financial Statements*, which was adopted in the previous year, emerged from requests received from our preparers. The German GAAP Technical Committee responded quickly and provided clarification on three areas through an amendment standard before the effective date.

In light of the relocation of the requirements on remuneration reporting for members of governing bodies of listed companies to the Stock Corporation Act, the Joint Technical Committee proposed and has since finally adopted the deletion of the corresponding passages from GAS 17 *Reporting of the Remuneration of Members of Governing Bodies*. The BMJV considered this advisable, since the ASCG's mandate extends only to the consolidated financial reporting codified in the HGB. Nevertheless, the deletion of these requirements caused widespread unease – and not only among many of our members – because guidance deemed to be high quality and well established was removed for purely formal reasons. We are still holding discussions with the German federal government and are looking for a solution that takes appropriate account of all stakeholders' interests. The second major theme addressed by the Joint Technical Committee was European and global developments in CSR reporting and the resulting potential amendments to GAS 20 *Group Management Report*. The committee decided to continue monitoring the complex situation for the time being and only to revise the standard when the direction of the changes becomes clearer.

As in the past, the IFRS Technical Committee primarily dealt with developments at the IASB and EFRAG. The endorsement activities in relation to IFRS 17 *Insurance Contracts* were again a focal point. This process was temporarily suspended by EFRAG in the past year to enable unbiased commenting on the amendments proposed by the IASB. Our work on the TEG and the Board primarily focused on developing and supporting agreed positions that adequately address the pressure points for insurers on the one hand, without presenting the IASB with unresolvable issues on the other. To support this, we held numerous bilateral talks to foster direct contact with the insurance industry, gather opinions and champion our position. Largely as a result of our intervention, the EFRAG Board decided to revise an earlier resolution and immediately resume its endorsement deliberations in order to be able to issue its final endorsement advice in early autumn 2020.

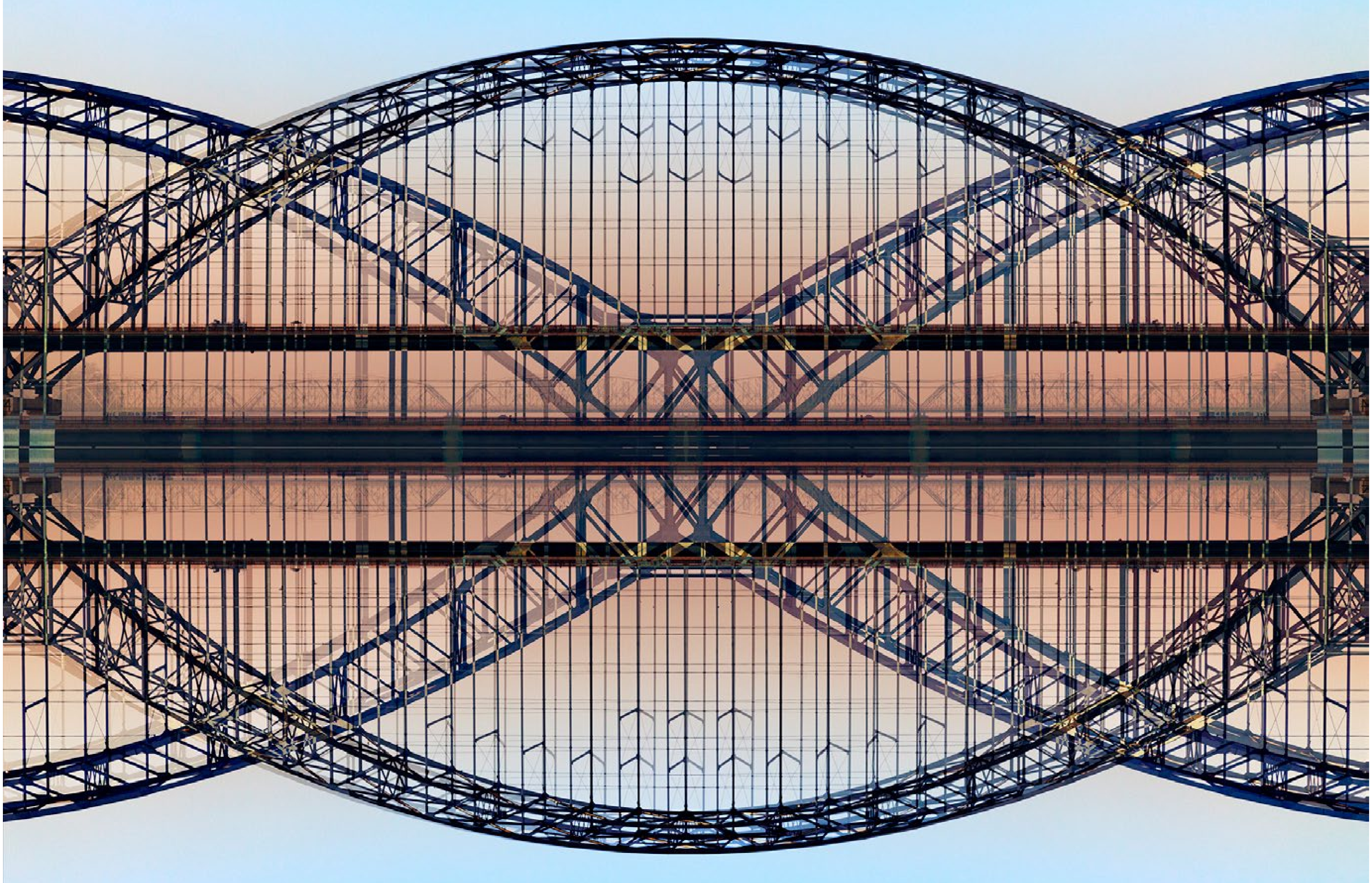
Another recurring theme on the IFRS Technical Committee's agenda was the requirement for financial reporting by publicly traded entities to be prepared in line with the European Single Electronic Format (ESEF). The significant uncertainty surrounding this topic, which is also apparent in Germany, prompted us to establish an additional preparer forum to allow all parties to discuss the issues and obtain information on current developments in the legislative process. We were delighted with the overwhelming response to the new forum from our members, as well as the close and constructive exchange between the IFRS Technical Committee, staff members and the Ministry. This significantly contributed to a better understanding of the different viewpoints and relevant arguments and led to tangible simplifications compared with the initial considerations in the ministerial draft.

Finally, we would again like to mention the IASB consultations expected for the new year. Issues including general presentation and disclosure, subsequent measurement of goodwill, management commentary and an agenda consultation for the coming five years ensure we will have plenty to discuss. To help you identify and assess the relevant issues, we will again hold a series of training events and outreach meetings in 2020. This will give you an opportunity to obtain first-hand information and enable us to gather a full spectrum of opinions from within the German community, which we will then present in London. We look forward to welcoming as many of you as possible to these events.

We are facing an eventful year and hope that you will continue to remain loyal to us.

Sincerely

Andreas Barckow and Sven Morich
Executive Committee



Balanced dialogue. Our direct links to the international financial community have steadily developed over many years. Today, we are also a hub within the Germany's financial reporting community, providing a platform for relevant stakeholders to meet and exchange views with each other and with us. Shaping and expanding this bridging role will remain a focus of our work in the future.

I. Standard-setting by the ASCG

As the German standard-setter, the ASCG has a statutory duty under section 342(1) no. 1 of the HGB to develop recommendations on the application of German proper accounting principles for consolidated financial reporting (German Accounting Standards – GASs).

In the context of this duty, we completed our intensive work on two amendment standards and finalised them in the past year: GAAS 9 and GAAS 10. GAAS 9 is the result of the amended legal requirements governing remuneration reporting and amends GAS 17 *Reporting on the Remuneration of Members of Governing Bodies* and GAS 20 *Group Management Report*. The background to GAAS 10 were questions from preparers regarding GAS 25 *Foreign Currency Translation in Consolidated Financial Statements* and amendments to the WpHG as a result of the Second Act Amending Financial Market Regulations.

We also launched two public consultations, with the publication of D-GAS 36 *Segment Reporting* in September 2019 and D-GAAS 11 amending GAS 18 *Deferred Taxes* in December 2019. The final standards are scheduled for publication in the first half of 2020.

Information on these four projects can be found on the following pages.

The ASCG has the additional standard-setting duty under section 342(1) no. 4 of the HGB to develop interpretations of the international accounting standards in accordance with section 315a(1) of the HGB. These interpretations concern issues of predominantly national relevance on which the IFRS Interpretations Committee cannot issue a generally binding interpretation.

Alongside GASs and interpretations, the technical committees may also issue other pronouncements on specific issues relating to national and international financial reporting, such as implementation guidance.

The effective GASs, ASCG Interpretations and ASCG Implementation Guidance are listed on page 16.

GAAS 9 – AMENDMENTS TO GAS 17 AND GAS 20

The ministerial draft of an Act to Transpose the Shareholder Rights Directive II (*Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie*, ARUG II) of October 2018 and the draft of the new German Corporate Governance Code of November 2018 marked the (at least temporary) end of the traditional remuneration report as part of the (group) management report. The relocation of virtually all elements of listed companies' remuneration reporting from the (group) management report and the notes to the (consolidated) financial statements to their corporate websites, while at the same time transposing the related requirements from the HGB to the Stock Corporation Act (section 162), made the amendment of GAS 17 *Reporting of the Remuneration of Members of Governing Bodies* inevitable. The amendment of GAS 20 *Group Management Report* was also necessary, as ARUG II requires an additional element to be reported in the consolidated corporate governance statement in accordance with section 315d of the HGB.

Since these two standards must be applied for financial statements prepared under both German GAAP and IFRS, both of the ASCG's Technical Committees were involved. The Joint Technical Committee adopted Draft German Amendment Accounting Standard No. 9 (D-GAAS 9) in early July with a comment period of just under two months. After discussing the comment letters and other responses received, we adopted GAAS 9 in October 2019. Since the legislative procedure for ARUG II had not yet been completed by the Bundestag, GAAS 9 was adopted subject to two reservations. Firstly, the effective date was still not definite and, secondly, amendments to the relevant requirements in ARUG II could not be ruled out. Ultimately, there were no further amendments to the legislative changes regarding remuneration reporting in the government draft of ARUG II. However, the initial application date was pushed back by a year.

Through the adoption of GAAS 9, we have now revoked or deleted all of the detailed requirements of GAS 17 that relate solely to the special remuneration reporting requirements for listed parent entities. We have also expanded on the guidance in GAS 20 regarding the content of the consolidated corporate governance statement. Under the new legislation, this statement must include a reference to the entity's website where the remuneration report and other pertinent information (such as the remuneration system) are publicly accessible. Lastly, GAAS 9 also introduces a number of editorial amendments, including updating references to the WpHG.

▲ Dr Bernd Keller

▲ Andreas Thiele

▲▲ Bianca Hoffman
▲ Cedric von Osterroth

GAAS 10 – AMENDMENTS TO GAS 25 AND OTHER GASs

GAS 25 *Foreign Currency Translation in Consolidated Financial Statements* was adopted by the ASCG in 2018 and subsequently published by the BMJV in accordance with section 342(2) of the HGB. The standard must be applied for the first time for financial years beginning after 31 December 2018.

During initial application of the standard, the ASCG received a number of questions, largely in relation to the requirements relating to the use of indexation to adjust for inflation. These questions were discussed by the German GAAP Technical Committee, which decided to amend the standard through German Amendment Accounting Standard No. 10 (GAAS 10) to clarify the issues raised and avoid potential misunderstandings in practice.

We exposed the draft amendment standard (D-GAAS 10) for comment in mid-2019. After making some clarifying amendments based on the responses to the consultation, the final amendment standard was adopted by the ASCG on 17 October 2019. This standard includes the following significant amendments to GAS 25:

- clarification that inflation must be adjusted using an index that reflects the general change in prices between the date of initial recognition of the relevant balance sheet or income and expense items and the reporting date,
- specification that only non-monetary items that are measured at amortised cost are indexed and that monetary items are not adjusted,
- deletion of the dynamic reference to IAS 29 *Financial Reporting in Hyperinflationary Economies*; this is replaced by the inclusion of a recommendation to calculate and recognise the gain or loss on net monetary position,
- inclusion of an example in the basis for conclusions to simplify understanding of the rules on indexation,
- more detailed disclosure requirements regarding the average rates to be used.

GAAS 10 also introduces editorial amendments to GAS 16 *Half-yearly Financial Reporting*, GAS 19 *Duty to Prepare Consolidated Financial Statements, Basis of Consolidation* and GAS 23 *Accounting for Subsidiaries in Consolidated Financial Statements*, which were required due to the reordering of paragraphs of the Securities Trading Act as a result of the Second Act Amending Financial Market Regulations, which is based on European legislation.

The BMJV published GAAS 10 in the official section of the Federal Gazette in accordance with section 342(2) of the HGB on 20 December 2019.

DEVELOPMENT OF A GAS ON SEGMENT REPORTING

The fundamental revision of GAS 3 *Segment Reporting*, which began in 2018, was regularly addressed at German GAAP Technical Committee meetings in 2019 and culminated in the publication of draft German Accounting Standard No. 36 *Segment Reporting* (D-GAS 36) on 29 September 2019.

D-GAS 36 sets out the requirements for segment reporting, which can be included in the consolidated financial statements in accordance with section 297(1) sentence 2 of the HGB. It applies to all parent entities that are required to prepare consolidated financial statements under section 290 of the HGB or section 11 of the Public Disclosure Act, or that do so voluntarily – and voluntarily include segment reporting in their consolidated financial statements. It is recommended that other entities that voluntarily prepare segment reporting in addition to their annual financial statements also observe the standard.

The fundamental concept of D-GAS 36 is to let the segment reporting follow the management approach. The draft standard is therefore based on the internal monitoring and control structure of the segments applied by group management. This enables groups to draw on existing internal reports of the individual entities for their segment reporting. In addition, this approach makes it possible for users of segment reporting to assess the performance of a group's principal business areas from the perspective of the group's management.

Segments are identified based on a group's operating segments defined using the management approach. They are thus first and foremost determined by the group's internal decision making and reporting structure. If a number of operating segments share the same economic characteristics, they may be aggregated. D-GAS 36 defines various threshold criteria for determining which operating segments are also reportable segments.

In contrast to GAS 3, the scope of the term 'revenue' is explicitly extended: 'revenue or similar income' must now be taken into account when assessing the threshold criteria for a reportable segment. The new wording is also echoed in the amounts to be disclosed by each reportable segment. This reflects that fact that the standard is applicable to all industries. Appendix 2 of GAS 3 for credit and financial services institutions, and Appendix 3 for insurance undertakings no longer apply.

A further significant change compared with GAS 3 is that segment reporting must now also use the policies and carrying amounts used in the group's internal reporting.

The principal aim of the reporting requirements proposed in D-GAS 36 is the presentation of information that allows users of financial statements to assess the nature and financial impact of the business activities of the group and its segments, as well as the economic environment in which the group operates.

The draft was exposed for comment until 31 December 2019. The comment letters received and articles published on D-GAS 36 were analysed by the German GAAP Technical Committee in February 2020. We aim to finalise the new GAS based on D-GAS 36 and submit it to the BMJV for publication in the Federal Gazette in the first half of 2020. This will then supersede the currently applicable GAS 3.

REVISION OF GAS 18 DEFERRED TAXES

Shortly before the end of the year, we exposed a further document for comment: Draft German Amendment Accounting Standard No. 11 (D-GAAS 11), amending GAS 18 *Deferred Taxes*. The content of GAS 18 had not be reviewed since its adoption in 2010. In light of this and the application questions received, the German GAAP Technical Committee decided in 2018 to review the requirements of the standard.

The committee started this project by systematically discussing the individual aspects governing the German GAAP accounting for deferred taxes and their interpretation in GAS 18. This resulted in the identification of issues in the standard that potentially need to be amended or enhanced. In this process, the German GAAP Technical Committee took into account the issues discussed in technical literature and those directly submitted to the ASCG by stakeholders.

A focal point of the deliberations was accounting for deferred taxes in respect of temporary differences arising from the initial recognition of goodwill or negative goodwill from a share deal (recognition prohibited under section 306 sentence 3 of the HGB) or an asset deal (deferred tax recognition under section 274(1) of the HGB). The draft standard clarifies that deferred taxes relating to differences in carrying amounts due to the initial recognition of goodwill in accordance with section 246(1) sentence 4 of the HGB need not be recognised in single-entity financial statements adjusted to conform to uniform group accounting policies. This is intended to avoid economically equivalent situations being treated differently in the consolidated financial statements and to take account of the special nature of goodwill as a balancing item. In addition, the corresponding application of section 306 sentence 3 of the HGB is proposed for equity-method accounting.

The remaining significant changes relate to disclosure requirements, namely the quantitative disclosures regarding deferred tax assets that are not recognised, unused loss carry-forwards and unused tax credits in accordance with GAS 18.66 and a reconciliation in accordance with GAS 18.67. Since, in the view of the German GAAP Technical Committee, these disclosures are not based on any specific information interest of the users of the German GAAP consolidated financial statements, the draft proposes the removal of these two requirements.

In the case of the elimination of intercompany profits and losses, deferred taxes must, in principle, continue to be measured using the tax rate of the entity receiving the goods or services. However, under D-GAAS 11, the application of tax rates that differ from that of the receiving entity is permitted in cases where the resulting information would better reflect the actual situation, for example if the receiving entity is a commercial partnership.

Furthermore, it is proposed that the requirements of GAS 25 *Foreign Currency Translation in Consolidated Financial Statements* regarding deferred taxes be integrated into GAS 18.

The other planned changes largely relate to editorial amendments or clarifications. Further explanations and some examples have also been included in the basis for conclusions.

D-GAAS 11 was open for comments until the end of February 2020. We plan to finalise the new amendment standard and submit it to the BMJV for publication in the Federal Gazette in the first half of 2020.

EFFECTIVE GASs, ASCG INTERPRETATIONS AND ASCG IMPLEMENTATION GUIDANCE

German Accounting Standards

GAS 3	Segment Reporting
GAS 8	Accounting for Investments in Associates in Consolidated Financial Statements*
GAS 9	Accounting for Investments in Joint Ventures in Consolidated Financial Statements*
GAS 13	Consistency Principle and Correction of Errors
GAS 16	Half-yearly Financial Reporting
GAS 17 (amended 2010)	Reporting on the Remuneration of Members of Governing Bodies
GAS 18	Deferred Taxes
GAS 19	Duty to Prepare Consolidated Financial Statements, Basis of Consolidation
GAS 20	Group Management Report
GAS 21	Cash Flow Statements
GAS 22	Group Equity
GAS 23	Accounting for Subsidiaries in Consolidated Financial Statements
GAS 24	Intangible Assets in Consolidated Financial Statements
GAS 25	Foreign Currency Translation in Consolidated Financial Statements
GAS 26	Associates**
GAS 27	Proportionate Consolidation**

ASCG Interpretations (IFRS)

ASCG Interpretation 1 (IFRS)	The Current/Non-current Classification in the Statement of Financial Position under IAS 1 Presentation of Financial Statements
ASCG Interpretation 2 (IFRS)	Obligation to Dispose of Electrical and Electronic Equipment
ASCG Interpretation 3 (IFRS)	Interpretation Issues relating to Puttable Financial Instruments in Accordance with IAS 32
ASCG Interpretation 4 (IFRS)	Accounting for Interest and Penalties Related to Income Taxes under IFRSs

ASCG Implementation Guidance (IFRS)

ASCG IG 1 (IFRS)	Specific Issues Relating to Accounting for Partial Retirement Arrangements in Accordance with IFRSs
ASCG IG 2 (IFRS)	Accounting for Costs of Registration in Accordance with the EU REACH Regulation
ASCG IG 3 (IFRS)	Selected IFRS Accounting Issues with a Particular Relevance to Macroeconomic and Entity-specific Crisis Situations
ASCG IG 4 (IFRS)	Equity-settled Share-based Payments with Net Settlement Features: Accounting for Cash Compensation

* Applicable for the last time for financial years beginning before or on 31 December 2019
** Applicable for the first time for financial years beginning after 31 December 2019

Growing and nurturing. We have stringent internal requirements when it comes to the quality of our work and products. Two key factors enable us to consistently guarantee quality: first, the expertise of our governing bodies, standing committees and staff and, second, the impetus provided by external stakeholders. We thus consciously extend our view beyond our own four walls to encompass the fuller picture, allowing ideas to develop and mature.

II. Contribution to the Work of Third Parties

In this section, we report on the work we performed last year in the context of our further statutory duty under section 342(1) no. 3 of the HGB, namely to represent the Federal Republic of Germany on international standard-setting bodies.

We work with the organisations and bodies concerned at all relevant levels: the IASB, the IFRS Interpretations Committee, EFRAG and its bodies, national standard-setters in other countries, and other international, European and national institutions that are active in the field of international financial reporting.

This task falls mainly to the IFRS Technical Committee. This committee selects the issues to be addressed, deliberates on these issues at regular meetings, and develops and adopts comment letters for the relevant external organisations. The Joint Technical Committee decides on financial reporting topics that apply equally to and are relevant for both publicly traded and non-publicly traded companies.

In addition, the ASCG's President, Executive Director and staff contribute directly to the committee work and working groups of other organisations, participate in workshops, and attend conferences and other events.

COLLABORATION WITH EFRAG

At European level, EFRAG in particular provides an excellent platform for us to contribute to the discussion on the development of international financial accounting and reporting. Since the implementation of the Maystadt reform at the end of 2014, the ASCG has contributed to EFRAG's decisions not only at a technical level in the committees as a member of the legal structure, but also at the level of company law as an executive body member.

The ASCG's role in its collaboration with EFRAG is to unite and represent the interests of German industry on the European stage. The ASCG is directly represented on the EFRAG Board, which is the ultimate decision-making body, by its President, Prof. Dr Andreas Barckow, who has been the EFRAG Vice-President since December 2016, and in EFRAG's Technical Expert Group (TEG) by its Executive Director, Prof. Dr Sven Morich. Prof. Dr Barckow was confirmed in this office by the General Assembly in June 2019 and re-elected as Vice-President until the end of his term of office on 31 October 2020. The current term of office of Prof. Dr Morich runs until 30 November 2020.

We also maintained close contact with the two other German TEG members, Prof. Dr Günther Gebhardt and Dr Heinz Hense. The regular briefings conducted by the German TEG members before each TEG meeting are particularly notable in this context. The aim of these briefings is to allow the German members to exchange views on the upcoming technical discussions in advance and coordinate the representation of these views at the TEG meetings. Following many years' service, Prof. Dr Gebhardt and

Dr Hense both stepped down as representatives on 31 December 2019 as planned. Two new German members were appointed to the TEG for a term of two years starting from 1 January 2020: Jens Berger (Deloitte GmbH) and Christoph Schauerte (Vonovia SE). We intend to continue our close contact and regular exchanges with these new members.

In addition to directly participating in the EFRAG bodies, our own technical committees, particularly the IFRS Technical Committee, also address the issues on the EFRAG Board and EFRAG TEG agendas on an ongoing basis. The IFRS Technical Committee draws on the expertise of our working groups (currently the 'Insurance' Working Group in particular) for this. Among other things, this work provides technical support to staff members in the performance of their activities on the EFRAG bodies. Depending on the situation, the IFRS Technical Committee itself directly submits comments to EFRAG during more extensive consultations, such as broader-based draft comment letters to the IASB, endorsement advice letters to the European Commission, and proactive consultation and position papers.

The ASCG is also represented on the Steering Group of the European Reporting Lab @EFRAG by Administrative Board member Albert Hasselmeyer. The Project Task Force on Climate-related Reporting held structured interviews in 2019 as part of its best practice study, in which our President Prof. Dr Andreas Barckow also participated.




▲▲ Prof. Dr Brigitte Eierle
▲ Prof. Dr Hans-Jürgen Kirsch

▲▲ Dr Christoph Weber
▲ Dr Stephan Brandt

Accounting for Pension Plans with an Asset-Return Promise

The accounting for pension plans under IAS 19 *Employee Benefits* makes a strict distinction between defined benefit and defined contribution plans. In practice, however, hybrid plans are commonplace. Questions about the classification and recognition of hybrid pension plans thus continue to generate debate. These issues regularly feature on the agendas of standard-setters and are the focus of research activities.

In 2018, the ASAF discussed the findings of our research project on accounting for hybrid pension plans conducted in collaboration with the standard-setters in the UK, Japan, Canada and the USA. In 2019, EFRAG published a Discussion Daper *Accounting for Pension Plans with an Asset-Return Promise*. EFRAG was supported in its research by the Pension Plans Advisory Panel. German corporate practice was represented on this panel by Dr André Geilenkothen (Aon Hewitt GmbH) and Dr Heinz Hense (ThyssenKrupp AG).

The DP examines pension plans promising future pension payments based on the higher of (a) the return on the assets held by the pension plan and (b) a minimum guaranteed return. The DP explores three alternative accounting treatments for these pension plans: a capped asset return approach, a fair-value based approach and a fulfilment value approach.

The DP illustrates the effects of the alternative accounting approaches using a numerical example. In addition, the advantages and disadvantages of the individual approaches are assessed based on the qualitative characteristics of useful financial information.

The DP also contributes to the further development of IAS 19. The IASB is currently considering the introduction of the capped asset return approach for pension plans that are linked to asset returns. The research findings, as well as the responses and comment letters, are also interesting in light of the IASB's upcoming 2020/2021 agenda consultation.

With regard to the pension plans discussed by EFRAG, and on the assumption that no fundamental revision of IAS 19 is being sought, our comment letter supports the capped asset return approach. Further, we propose the development of the capped asset return approach into a fixed asset return approach. However, we do not believe that an alternative accounting method based on the IAS 19 model is suitable for all hybrid plans and oppose the further case-by-case consideration and treatment of these plans. The development of a consistent solution would require the fundamental revision of IAS 19.

Accounting for Equity Instruments

The EFRAG project on accounting for equity instruments under IFRS 9 *Financial Instruments* and potential alternative accounting treatments has now been concluded. This project was prompted by two requests from the European Commission based on specific comments made by EFRAG in its endorsement advice on IFRS 9.

The first of the European Commission's requests (dating from mid-2017) relates to accounting for equity instruments which are measured at fair value through other comprehensive income. EFRAG conducted a consultation regarding this first request in 2018 and submitted its response at the end of that year. Detailed information on this can be found in our 2018 Annual Report.

The Commission's second request was received in mid-2018 and relates to accounting for long-term investments in equity and equity-type instruments that are measured at fair value through profit or loss. The Commission asked EFRAG to explore alternative accounting treatments for this type of investment, without specifying whether these should relate to an alternative measurement approach and/or to an alternative for recognising gains or losses. EFRAG also conducted a consultation regarding this request. It should be noted that EFRAG itself was uncertain of how to best gather opinions on this matter. The initially planned publication of a discussion paper, which had been in preparation for months, was ultimately abandoned. Instead, a two-month consultation in the form of a questionnaire was launched in May 2019. The consultation ended in summer 2019, but the subsequent discussions at EFRAG lasted until January 2020. EFRAG submitted its response to the second request to the European Commission at end of January 2020.

We discussed both requests in detail and submitted written responses to both consultations.

From the discussions in the IFRS Technical Committee and among our members, it is clear that amendments to accounting requirements need to be considered at international level, rather than merely from a European perspective. At the time of the consultation on the first request, it was not possible to make any statements regarding significance, since IFRS 9 had not yet been applied for the first time. However, no immediate action was or is considered necessary. Instead, the recommendation is to refer to the expected post-implementation review by the IASB. With regard to the second request, we do not consider any alternative accounting treatment to be necessary.

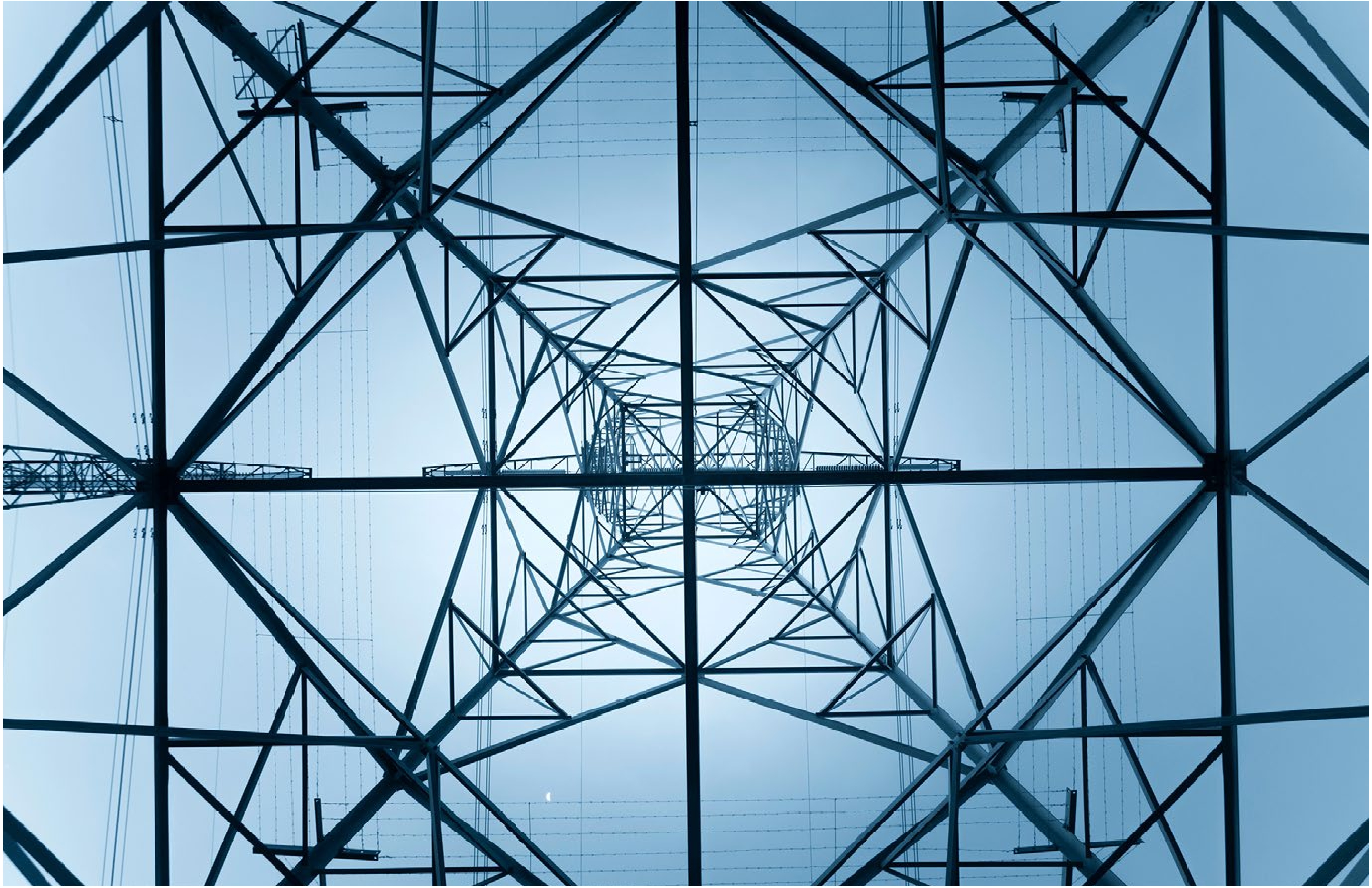
COOPERATION WITH THE IFRS FOUNDATION

Our cooperation with the IFRS Foundation bodies is multi-faceted and has been a mainstay of our work for many years. It is characterised by the personal exchange of views and information at multiple levels, technical dialogue and involvement in the deliberations of the standard-setting bodies, as well as direct participation in the Foundation's consultative bodies.

Personal dialogue and maintaining and fostering regular contact with the IASB and its staff, including German Board member Martin Edelmann and IASB Chair Hans Hoogervorst, form a cornerstone of our cooperation with the IFRS Foundation. Regular bilateral telephone calls and in-person meetings in London allow us to find out about and keep up to date on each other's activities, as well as current developments, trends and challenges. This first-hand information means that we are in a position to address and react appropriately to any changes at an early stage. In addition, thanks to the trusting relationship we have established, we have a direct line to the key players and are able to put forward our concerns quickly and effectively.

In this regard, we would particularly like to mention a visit by IASB Vice-Chair and IFRS Interpretations Committee Chair, Sue Lloyd, who attended the IFRS Technical Committee meeting as a guest, together with Associate Technical Director Patrina Buchanan, for the first time in July 2019. The open exchange with the technical committee members was considered extremely useful, constructive and valuable all round, with both sides gaining a deeper insight into the viewpoints of the other than would be possible if communication were confined to purely written channels. All participants agreed without hesitation to continue their dialogue in the new year. The IFRS Interpretation Committee's new German member, Karsten Ganssauge, also attended this meeting. We are delighted that we will continue to have a reliable contact in the IFRS Interpretations Committee whose insights into their work will enhance the meetings of the IFRS Technical Committee. In return, he will be able to go to London armed with the views of the technical committee members.

At the start of 2019, the President of the ASCG was appointed to the IFRS Advisory Council, which meets twice per year, and will hold the seat representing the national standard-setters of France, Germany, the UK and Italy for a period of three years. Unlike the ASAF, which involves providing technical advice to the IASB on current projects, the Advisory Council has a strategic focus. It is thus a point of contact for both the IASB and the IFRS Foundation and its Trustees, who have ultimate responsibility for the organisation's strategic direction. The issues discussed by the Advisory Council included the digital experience for customers and stakeholders and the changing significance of financial reporting, as well as the resulting alternative courses of action. Since several Trustees participated in the Advisory Council meetings, there were further opportunities for discussion, including with the Chair of the IFRS Foundation Trustees, Erkki Liikanen.



A reinforced network. Our legal mandate is to serve the general economic interest. We therefore consider it our responsibility to always take into account and balance the interests of all stakeholders, which we ultimately contribute to the national, European and international debate. We achieve this with the help of our transparent information policy. We are free of political influence and open to different opinions.

In the annual report 2018, we notified the ASCG's departure from the ASAF in the course of the scheduled rotation of members. Since we consider the discussions of the ASAF and the opportunity for personal dialogue with the Forum's members outside of the meetings to be valuable, we have decided to continue attending the quarterly ASAF meetings, alongside the IFRS Advisory Council meetings, to take on board the arguments, sentiment and evidence from other jurisdictions.

There were three meetings of the Management Commentary Consultative Group (MCCG) in the past year. This group is made up of high-level representatives from various disciplines and backgrounds, and guarantees inspiring debate. For the ASCG, which is also represented in this group by its President, the meetings were an opportunity to make the case for the solutions we codified in GAS 20 *Group Management Report*, as well as to gather ideas for the upcoming revision of our standard from the discussions held. The MCCG's findings are successively presented to the IASB and will be taken into account in the exposure draft of the revised Practice Statement planned for the second half of 2020.

The following pages present the major projects of the IFRS Foundation that we followed closely last year.

IFRS Foundation Due Process Handbook

The IFRS Foundation launched a consultation on proposed amendments to its Due Process Handbook on 30 April 2019. The handbook forms the basis for the activities of the IASB and the IFRS Interpretations Committee, as well as the IFRS taxonomy. It sets forth the purpose, structure and working practices of these bodies and all processes and procedures related to standard-setting, particularly the form that publications and regulations must take and the extent to which they are binding. The handbook is reviewed and amended, if necessary, every three or four years or when a specific reason to do so arises.

The most recent proposed amendments relate in particular to the growing significance of the agenda decisions taken by the IFRS Interpretations Committee. The trustees clarify that agenda decisions do not have the same status as official pronouncements and do not suggest that this should change. These decisions do, however, show how existing requirements should be applied in specific situations. They propose that this clarification 'tool' should in future also be available to the IASB itself.

Other matters that should be more clearly worded and better structured in the handbook are the increasing and increasingly diverse non-binding explanatory and educational material issued by the IFRS Foundation in addition to IFRSs, as well as the procedure and bodies involved in regular agenda consultations. This appears to be logical, given that the next agenda consultation is set to begin in the second half of 2020.

▲▲ Dr Christian Eichholz, BMJV
▲ Prof. Dr Sven Morich

The exposure draft of the *Proposed Amendments to the Due Process Handbook* was open for comments until the end of July 2019. The consultation made clear that although most of the proposals were approved, there was still considered to be uncertainty regarding the significance of agenda decisions. The suggestion that the IASB should also be able to issue agenda decisions was largely opposed and ultimately also abandoned by the IFRS Foundation.

In our comment letter to the IFRS Foundation dated 29 July 2019, we also expressed several reservations regarding the proposals on the role and status of agenda decisions and the extension of the ability to issue such decisions to the IASB. However, we generally supported the intention behind these proposed amendments. We agreed with the other proposals.

The IFRS Foundation has now decided on a final version in which some of the wording regarding agenda decisions has been amended, but no other changes compared with the draft have been made (apart from the above-mentioned point). The final version will be published during the second quarter of 2020.

Insurance Contracts

Since IFRS 17 *Insurance Contracts* was published in May 2017, insurers, as well as other preparers, auditors and other organisations have been working hard to analyse the new requirements in detail and implement them.

Following extensive discussions in the Transition Resource Group (TRG) for IFRS 17 established by the IASB, the IASB decided to develop potential selective amendments to IFRS 17 for specific issues and subject to stringent criteria. This phase was completed in the first half of 2019 and the IASB published Exposure Draft ED/2019/4 with proposals for narrow-scope amendments to IFRS 17 in June 2019.

Prior to and during this process, there were extensive discussions and efforts within the insurance industry to urge the IASB to comprehensively amend IFRS 17. Various companies and organisations indicated numerous requirements in need of improvement. Although there was consensus with regard to certain issues, other issues were only raised on an individual basis. However, with reference to the established criteria, the IASB made clear that no comprehensive revision of IFRS 17 was under consideration.

The exposure draft proposes the following narrow-scope amendments to IFRS 17:

- widening of the scope to certain loan and credit card contracts
- allocation of insurance acquisition cash flows
- release of the contractual service margin attributable to investment services
- recognition of gains for reinsurance contracts held for underlying insurance contracts that subsequently become onerous
- applicability of the risk mitigation option
- effective date of IFRS 17 and deferral of application of IFRS 9 *Financial Instruments*

The reasons behind the proposed amendments are explained in the basis for conclusions accompanying the exposure draft. It also explains why amendments to IFRS 17 are only being considered for these areas, as well as the requirements and areas where there is a perceived need for improvement for which amendments are not proposed, as the IASB does not believe that such amendments would be appropriate.

We discussed the IASB's proposals in depth in our IFRS Technical Committee and our Insurance Working Group. We also maintained a direct dialogue with insurance companies in Germany and the German Insurance Association on this subject. We communicated the views gathered to the IASB both in writing and in person. At the same time, we consistently put forward our opinion – which is less critical than that of other European stakeholders – and supporting arguments at discussions at EU level, particularly at EFRAG.

◀ Prof. Dr Sven Hayn

▲ Prof. Dr Bernd Grottel

After the end of the three-month consultation period, the IASB analysed the responses. In doing so, it reached the conclusion that the amendments proposed in the draft required further revision in a few areas. The redeliberations will be concluded by March 2020, by when the areas in which the IASB will finally deviate from its former proposals will be clear. The IASB envisages finalising the amendments by June 2020, with the effective date of IFRS 17 (including the deferral of IFRS 9) postponed presumably until 1 January 2022.

Disclosure of Accounting Policies

This IASB project addresses criticism from preparers and users of financial statements regarding the disclosure of accounting policies. The project is a direct result of the former IASB discussion paper *Disclosure Initiative – Principles of Disclosure* of March 2017. Based on the feedback on the discussion paper, the IASB concluded that immaterial and irrelevant disclosures regarding accounting policies are primarily due to difficulties in applying the concept of materiality. The IASB therefore decided to develop principles and guidelines to help preparers assess materiality in relation to accounting policies.

The Exposure Draft ED/2019/6 *Disclosure of Accounting Policies (proposed amendments to IAS 1 and IFRS Practice Statement 2)* was published on 1 August 2019. This proposes that, in future, the requirement to disclose 'significant' accounting policies should be replaced by a requirement to disclose 'material' accounting policies. The accounting policy disclosure requirements are thus embedded in the overarching concept of materiality. In addition, the IASB proposes adding guidance and examples to IFRS Practice Statement 2 to help entities assess the materiality of accounting policy disclosures.

Based on the discussions of the IFRS Technical Committee, the ASCG submitted its comment letter on the exposure draft to the IASB on 22 November 2019. In our letter, we are supportive of the IASB's intention to help entities restrict their disclosures on accounting policies to those that are relevant to the users of financial statements. However, we do not believe that the objective will be achieved by replacing the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. In our opinion, the guidance should provide a clearer distinction between a) those accounting policy disclosures that are relevant and, thus, should be provided, and b) those disclosures that are irrelevant and should therefore be omitted.

In 2020, we will actively contribute to further IASB projects related to the former Disclosure Initiative and participate fully in the discussions.

Firstly, we will discuss and comment on Exposure Draft ED/2019/7 *General Presentation and Disclosures*, which was published on 17 December 2019. This draft standard is intended to replace the current IAS 1 *Presentation of Financial Statements* as a new IFRS. To improve the comparability of IFRS financial statements, the IASB is proposing extensive amendments to the structure and content of the primary financial statements, particularly the statement of financial performance. Among other things, the IASB proposes to require entities to classify their income and expenses into the categories 'operating', 'investing' and 'financing' and to present new defined subtotals in the statement of profit or loss. The draft also proposes additional guidance on the (dis)aggregation of information and disclosures on unusual income and expenses, as well as management performance measures. The first discussion of the draft standard in the IFRS Technical Committee indicated that the proposed amendments could involve significant effort for preparers to implement and thus be viewed critically from a cost/benefit perspective. We intend to hold several public consultations and training events on the proposed amendments in the first half of 2020.

Secondly, the IASB expects to publish an Exposure Draft *Disclosure Initiative – Targeted Standards-level Review of Disclosures* in the second half of 2020. The objective of this project is to improve the disclosure requirements of selected IFRS Standards. As the first step in this project, the disclosure requirements of IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement* will be reviewed. Furthermore, the IASB will develop guidance for the IASB itself to use when developing and drafting disclosure requirements.

IBOR Reform

The IASB published amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* on 26 September 2019, thus ending the first phase of its project on IBOR reform and its impact on financial reporting. The amendments address pre-replacement issues affecting financial reporting in the period before the replacement of an existing interest rate benchmarks with alternative risk-free rates and aim to ensure the continuation of hedge accounting for existing hedging relationships.

The final amendments mainly correspond to the previous proposed amendments in ED/2019/1 of May 2019. Specifically, they grant exceptions for the following hedge accounting requirements:

- the 'highly probable' requirement for cash flow hedges: when assessing the probability of a planned transaction occurring, it is assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of interest rate benchmark reform.
- assessment of the economic relationship between the hedged item and the hedging instrument (IFRS 9), respectively, and the prospective assessment of effectiveness (IAS 39): when determining whether a hedging relationship is effective, it is assumed that the benchmark interest rate will be unaltered.
- separately identifiable risk components: for hedges of the benchmark component of interest rate risk that is not contractually specified, it is sufficient for the separately identifiable risk component to be identified only at inception of the hedging relationship.

In the course of its deliberations, the IASB also decided on the following additional simplifications:

- relief from retrospective assessment under IAS 39: this makes it possible to continue hedge accounting for hedging relationships whose effectiveness is outside of the 80-125% range.
- relief from the separately identifiable requirement for macro hedges: as soon as an instrument is designated as a hedged item in a macro hedge, it is not necessary to reassess whether the risk component is separately identifiable at any subsequent re-designation of this hedged item in the same hedging relationship.
- simplification of the disclosure requirements proposed in the draft.

These amendments are applicable for the first time for financial years beginning on or after 1 January 2020.

We supported the above-mentioned clarifications and reliefs. As part of the endorsement process, a large number of our members also unanimously supported the incorporation of the amendments into European law. Publication in the Official Journal, which is required for timely application, took place on 16 January 2020.

Accounting for the actual replacements for benchmark interest rates (replacement issues) is the subject of the second project phase. The IASB began work on this in August 2019.

Interpretations and Maintenance

The interpretation and maintenance activities of the IFRS Interpretations Committee involve discussing and responding to submissions regarding the application of and uncertainties about IFRSs. The work on such questions and issues either results in agenda decisions, which are issued by the IFRS Interpretations Committee, or in subsequent standard-setting activities, which then lead to a (narrow-scope) amendment to the standard or an interpretation. In addition, the IASB itself raises and discusses issues for which it emerges that an amendment or clarification of the standard is required.

As in every year, we tracked these activities closely in 2019. In contrast to 2017 and 2018, in 2019 we did not identify any individual issues among those discussed by the IFRS Interpretations Committee for which there is a specific interpretation requirement at national level. However, we addressed all the discussions at all meetings of the IFRS Interpretations Committee, assessed the findings and commented on them in most of the cases. In addition, as mentioned above, the ASCG was also visited by the Chair of the IFRS Interpretations Committee and the Implementation Director of the IFRS Foundation, which gave us the opportunity to discuss and acknowledge the work of the IFRS Interpretations Committee directly in person.

It is notable that the IFRS Interpretations Committee reached final agenda decisions on more than 20 issues in 2019. Among others, the IFRS Interpretations Committee discussed and provided a final response via an agenda decision to several application questions on IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*. The related findings were presented in the sometimes very extensive explanations for the respective decisions – which, particularly in the case of the newly applicable IFRS 16, often address the application of the basic principles of the standard over and above the specific questions submitted.

Of particular note here are the decisions on the application of IFRS 15 (revenue recognition in the case of delayed or cancelled flights) and on the application of IFRS 9 (accounting for contracts to buy or sell a non-financial item with physical settlement). In both cases, the IFRS Interpretations Committee discussed the inconsistent application of the standard in practice and ultimately formulated the (only) appropriate accounting treatment. Some aspects of the current accounting treatment may need to be changed in these cases – at least in the industries concerned – which could have a significant impact. This is something that entities should carefully analyse and assess.

The IFRS Interpretation Committee's agenda decision on IFRS 16 regarding lease terms is also worthy of mention. Following the tentative agenda decision there was already criticism regarding the IFRS Interpretation Committee's interpretation and the fact that the IFRS Interpretations Committee considered that IFRS 16 provided an adequate basis for determining the response to the issue submitted. Following the (unchanged) final agenda decision, which

▲▲ Claudia Nikolic
▲ Prof. Dr Christian Fink

passed by only a small majority, the criticism intensified. Constituents criticised the due process and asserted that the IFRS Interpretations Committee's interpretation could only be justified if accompanied by a corresponding amendment to IFRS 16. The Due Process Oversight Committee of the IFRS Foundation addressed this criticism, but found that the agenda decision had been reached in accordance with due process and that it should be confirmed.

The IFRS Interpretation Committee's decisions on accounting for cloud computing arrangements and virtual currencies (including cryptocurrencies) are also noteworthy. Both issues relate to growing trends for which the accounting treatment is anything but clear. In each case, the logical first step was a review of IAS 38 *Intangible Assets*. It quickly became apparent, however, that neither this nor any other standards include appropriate requirements for these issues. Although the IFRS Interpretations Committee reached an (initial) agenda decision in both cases, it is likely that further questions will arise and that new supplementary requirements relating to these matters may even be needed.

An agenda decision on the application of IAS 12 *Deferred Taxes* and IFRIC 23 *Uncertainty over Income Tax Treatments* should also be mentioned. This recently adopted interpretation on the application of IAS 12 in the case of uncertain tax treatments left at least some presentation issues unresolved, which the IFRS Interpretations Committee has now addressed through an agenda decision.

It is also encouraging that the IASB and the IFRS Interpretations Committee have now decided to respond to the long-discussed issue of the application of IAS 21 *The Effects of Changes in Foreign Exchange Rates* when there are foreign exchange restrictions through an amendment to IAS 21. However, the amendment of the standard is currently only in the preparatory phase and there is no concrete schedule.

We also considered in detail all of the IASB amendment projects for which exposure drafts were published in 2019 and developed our views in each case through IFRS Technical Committee discussions before notifying them to the IASB. In 2019, the IASB proposed narrow-scope amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases* and IAS 41 *Agriculture* (via the Annual Improvements to IFRS Standards 2018-2020 Cycle), to IFRS 3 *Business Combinations*, IAS 12 *Income Taxes*, as well as IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2.

This list is completed by the more extensive amendments to IFRS 17 *Insurance Contracts* proposed by the IASB, which we report on in more detail in a separate section.

Lastly, in the context of standards maintenance, we wish to report that of the many proposed narrow-scope standard amendments in 2019 not a single one was completed, with the exception of the clarifications on IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 9 in relation IBOR reform. However, according to the IASB's agenda, many amendments are due to be finalised in the first half of 2020. This will finally resolve some of the accounting issues for which the IFRS Interpretations Committee and/or the IASB have identified a need for clarification and promised solutions in the form of actual standard-setting.

▲▲ Prof. Dr Andreas Barckow
▲ Dr Stefan Wich

Stable through and through. Thanks to our secure financial situation and tried and tested organisational structure, last year we were again able to represent the full spectrum of technical and institutional expertise of financial report preparers, auditors and users in Germany. This success is down to all those who contribute to our goal – the development of financial reporting – whether it be financially, voluntarily, as their main employment or when particular themes are of interest. We wouldn’t be able to conquer any peaks without them.

COLLABORATION WITH OTHER STANDARD-SETTERS

World Standard Setters Conference

The World Standard Setters (WSS) Conference is the largest meeting of national standard-setters and regional organisations tasked with accounting-related issues. At this annual event, which is attended by participants from all over the world, the ASCG was again represented by its President and Executive Director in autumn 2019.

The WSS Conference is organised by the IFRS Foundation, which also sets the agenda for the event. It primarily serves the IASB as a platform for informing standard-setters about developments over the past year, current issues and the next steps. Feedback on project progress and application and implementation issues is also actively gathered. To this end, selected technical issues are discussed in regular breakout meetings, which make it possible to exchange views with delegates in a targeted manner. The subjects covered at the conference included the IASB's cooperation with national standard-setters. A panel discussion, in which ASCG President Prof. Dr Andreas Barckow also participated, addressed how national standard-setters and the IASB could best provide support both with regard to the implementation of standards at national level and to the development of the standards themselves.

Also on the conference agenda were the since launched consultation on primary financial statements and the recognition and, in particular, impairment of goodwill. In addition, the IASB project on rate-regulated activities was the subject of another panel discussion. For us, the WSS Conference is a good opportunity to exchange ideas with a large number of standard-setting partners and maintain our relationships with them.

International Forum of Accounting Standard Setters

The International Forum of Accounting Standard Setters (IFASS) is an informal global network of national standard-setters and other organisations that have a close involvement in financial reporting issues. Unlike the WSS Conference, IFASS meetings are held twice a year and are organised on the initiative of the national standard-setters. The aim of IFASS is to promote cooperation between the standard-setters.

Chaired by former ASCG President Dr h.c. Liesel Knorr for the last time, the IFASS participants came together at their spring meeting in March 2019. The meeting was held in the Argentinian capital Buenos Aires and addressed a broad range of financial reporting issues. Our representatives spoke and presented on two issues: Prof. Dr Sven Morich pointed out various pitfalls in relation to electronic reporting using the ESEF format; Prof. Dr Andreas Barckow and Dr Thomas Schmotz presented an accounting problem that emerged during the course of addressing the IASB Discussion Paper DP/2018/1 *Financial Instruments with Characteristics of Equity*. We received very positive feedback on our contributions, including from IASB representatives. Further topics included research projects of IFASS participants (EFRAG: non-exchange transfers; UK standard-setter: variable and contingent consideration), impairment testing under IAS 36 *Impairment of Assets* and an issue put forward by the Indian delegation on the recognition of finance costs. In addition, the new IFRS 17 *Insurance Contracts* was the subject of a lively and, occasionally, heated debate.

In October 2019, the IFASS meeting in London was chaired by Yasunobu Kawanishi of the Japanese standard-setter for the first time and addressed the themes of sustainability, intangible assets, accounting for goodwill and the application of IFRS 16 *Leases*, among other issues.

These meetings provide a key platform for discussing issues shared with other standard-setters, exchanging experiences, and finding partners for joint projects.

Other platforms

In addition to the above meetings on a global level, we also regularly raise current topics and viewpoints in various rounds of discussions held with other standard-setters. These include the Consultative Forum of Standard Setters (CFSS), at which the positions to be put forward by EFRAG at the ASAF are prepared and agreed. We also maintain regular direct contact with selected standard-setters with whom we are able to address and explore confidential matters in private meetings. However, the main focus of these half-yearly multilateral meetings is on international accounting issues in which we have a common interest. In 2019, we thus began our considerations for a joint working paper on intangible assets with the standard-setters from the UK, Japan, Canada and the USA, which will be able to be used by the IASB in any subsequent research projects on this subject.

FURTHER ACTIVITIES

In addition to the activities of international standard-setters, we also closely track the activities of other institutions and organisations that deal with financial reporting and corporate reporting issues in the broader sense. These include in particular ESMA, the European Commission and Accountancy Europe, as well as the Institut der Wirtschaftsprüfer in Deutschland e.V. (Institute of Public Auditors in Germany – IDW).

In addition, the Executive Committee and employees also attend a wide variety of national and international conferences, panel discussions and working group meetings. Examples include the regular technical conferences held by the Deutsches Aktieninstitut e. V. (DAI) and the Berliner Bilanz Forum (Berlin Accounting Forum) run by the Bundesverband der Deutschen Industrie e. V. (Federation of German Industries – BDI), as well as the Amadeus FiRe finance and accounting conferences. The President of the ASCG sits on the Advisory Council of the Schmalenbach-Gesellschaft für Betriebswirtschaft e.V. and is an active member of its 'External Accounting', 'Integrated Reporting' and 'Corporate Governance Reporting' working groups, where he makes an important contribution to the discussion of financial reporting issues. We are also a regular guest member of the 'External Accounting' working group of Gesellschaft für Finanzwirtschaft in der Unternehmensführung e. V. (GEFIU e.V.), the German association of chief financial officers or finance directors of industrial and trading companies, as well as insurance companies, banks and other financial services.

Our involvement in these events expands and deepens the range of opinions we gather from German companies, allows us to bring our expertise to the discussion and, in return, benefit from the experience of others.

The following pages present two major projects initiated by the European Commission that we actively supported in 2019.

The European Commission's moves to extend the scope of the non-binding non-financial reporting guidelines

The European Commission *Action Plan on Sustainable Finance* of March 2018 sets out a series of (legislative) measures, which include an extension of the scope of the Commission guidelines on non-financial reporting. These non-binding guidelines were published by the Commission in August 2017 to help entities that are required to disclose non-financial information in accordance with the CSR Directive or Article 19a of the Accounting Directive. Based on the *Action Plan on Sustainable Finance*, the Commission has added a supplement to the guidelines. This addresses the climate-related disclosures that the Task Force on Climate-related Financial Disclosures (TCFD, a G20 working group) also published in 2017. The Commission tasked an external Technical Expert Group (TEG) with developing this new supplement, as well as other measures of the action plan.

▲ Andreas Thiele (left), Dr Jörg Wallbaum (right)

▲▲ Prof. Dr Isabel von Keitz
▲ Jens Berger

The TEG published its *Report on Climate-related Disclosures* in January 2019, which was open for comment as a draft of its recommendations to the Commission for a period of three weeks. We took the opportunity to submit our comments to the TEG at the end of January. Among other things, we criticised the lack of coherence between the TCFD recommendations and the requirements of the CSR Directive: the TCFD disclosures centre on the impact of climate change on entities, while the new reporting requirements under the CSR Directive address the impact of entities' activities on non-financial aspects (for example, the climate). We also raised the issue that the interpretation of 'double materiality' differs from the wider understanding of the Directive. In particular, there is a significant discrepancy compared with the wording of the Directive: the requirement for non-financial reporting disclosures to consider materiality in assessing the impact on the entity and the environment (as in the Directive) is reinterpreted to mean materiality is to be considered in assessing the impact on the entity or the environment.

We expressed the same views to the Commission, which also exposed the draft supplement to its non-binding guidelines for comment four weeks later and then published the final version *Guidelines on reporting climate-related information* in June 2019. We also took various opportunities to publicly discuss our criticisms and exchange views with other stakeholders, including at 'The EU Sustainable Finance Action Plan – New Challenges and Opportunities for Companies and Institutional Investors' conference held by the Deutsches Aktieninstitut, where we participated in a panel discussion.

▲▲ Karsten Ganssauge,
Member of the IFRS Interpretations Committee
▲ Guido Fladt

Ministerial and government draft on implementation of ESEF financial reporting

Background

On 20 September 2019, the BMJV and the BMF published for consultation a ministerial draft of an act to implement the amendments under EU Directive 2013/50/EU (Transparency Directive Amending Directive) with regard to the single electronic format for annual financial reports. The ministerial draft sets out proposals for the implementation of Article 4(7) of the Transparency Directive, according to which annual financial reports must be prepared in the European Single Electronic Format (ESEF) starting from 1 January 2020.

In December 2017, ESMA published its final report on this issue, which includes the required draft regulatory technical standard (RTS) defining the electronic reporting format. The purpose of the ESEF is twofold: firstly, the (electronic) accessibility of the annual financial report as a whole is to be improved and, secondly, the analysis and comparability of the financial information in the included consolidated financial statements is to be enhanced by structuring around a specified taxonomy (tagging).

In December 2018, the European Commission issued the ESMA draft RTS as Delegated Regulation (EU) 2018/815 (ESEF Regulation). This was published in the Official Journal of the European Union and thus entered into force on 29 May 2019. The ESEF is periodically updated to take account of amendments to IFRSs, changes to the XBRL specification, or other technical developments. In this context, in September 2019, the European Commission issued Delegated Regulation (EU) 2019/2100 on the amendment of the ESEF Regulation, which was published on 16 December 2019. This update relates to the revision of the IFRS taxonomy, which has since been carried out by the IFRS Foundation. It is notable that in this process – unlike following the amendment of an IFRS itself – an update to the RTS or the delegated regulation does not require an EU endorsement process involving the individual Member States (‘comitology’).

Content of the ministerial draft

The content of the ministerial draft primarily relates to proposed changes to German commercial law for listed companies:

- electronic preparation of separate and consolidated financial statements, management and group management reports, as well as responsibility statements for the (consolidated) financial statements and the (group) management report in Extensible Hyper Text Markup Language (XHTML) format,
- tagging of the relevant IFRS consolidated financial statements on the basis of the ESEF taxonomy using the Inline eXtensible Business Reporting Language (iXBRL), and
- requirements for electronic signing of the relevant financial statements and responsibility statements.

In accordance with the draft, the subsequent requirements on publication, auditing and enforcement are based on the electronic documents.

Although the ESEF Regulation in principle has direct effect in EU Member States, this national legislative process is required due to a special exemption provided in section 114(1) sentence 1 of the WpHG. According to this, a company that issues securities as a domestic issuer must prepare and publish an annual financial report at the end of the financial year only if it is not required to publish the individual components of the annual financial report in accordance with German commercial law. This reference to the publication requirements under German commercial law previously avoided the relevant companies duplicating publication in accordance with the WpHG and the HGB. The ministerial draft therefore proposes amendments to German commercial law, in particular, while preserving this rule to avoid duplication.

The ministerial draft was widely criticised by companies, auditors and associations during the consultation process. Constituents raised cost/benefit arguments in particular and questioned the extent to which the intended comparability of financial reports can actually be achieved through the ESEF. In addition, it is not yet apparent how the nature and scope of financial statement audits will be changed by the new format requirements, since this aspect was not taken into account in the cost/benefit analysis when the RTS was being developed by ESMA.

Implementation of iXBRL also represents a practical challenge for companies; this was borne out by the first preparer forum for ESEF, which was held by the ASCG in November 2019. Alongside the considerations mentioned above, the forum clearly showed that interactions with the financial calendar could have a major impact if timing is disrupted due to additional process steps required for electronic preparation of the financial statements and quality assurance.

Government draft of 22 January 2020

On 22 January 2020, the German federal government adopted the government draft submitted by the Federal Ministry of Justice and Consumer Protection (BMJV) and the Federal Ministry of Finance (BMF) on implementation of the ESEF. The government draft differs from the proposals in the ministerial draft and addresses various criticisms put forward in the comment letters received. Under the government draft, initially only the requirements on ESEF reporting under German commercial law for publicly traded entities are revised and quality assurance, including auditing and enforcement, is addressed for the first time. The requirements regarding the (written) preparation of the elements of the annual financial report remain largely unchanged.

Unlike the ministerial draft, no amendments to company law are proposed with regard to the information required to be provided to shareholders in advance of meetings to adopt or approve/endorse the separate/consolidated financial statements or to adopt resolutions regarding other matters. Consequently, companies will still be required to provide paper copies.

The ASCG will address the government draft in detail and discuss the impact on financial reporting by publicly traded entities in the German jurisdiction. One issue that appears to be particularly relevant is that both the European Commission and German lawmakers understand the ESEF to be a reporting format subject to statutory audit. This gives rise to multiple challenges in terms of content, processes and timing. We will continue to track these activities closely.

COMMENT LETTERS AND OTHER PRONOUNCEMENTS

We issued the following comment letters and pronouncements last year. The complete texts of the documents mentioned below are available on our website at www.drsc.de/en.

Issue Date	Subject
I. Comment Letters to the IASB	
01/04/2019	ED/2018/2 Onerous Contracts – Cost of Fulfilling a Contract (Proposed amendments to IAS 37)
17/06/2019	ED/2019/1 Interest Rate Benchmark Reform (Proposed amendments to IFRS 9 and IAS 39)
22/07/2019	ED/2019/2 Annual Improvements to IFRS Standards 2018 – 2020
16/09/2019	ED/2019/4 Amendments to IFRS 17
27/09/2019	ED/2019/3 Reference to the Conceptual Framework (Proposed amendments to IFRS 3)
25/10/2019	ED/2019/5 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Proposed Amendments to IAS 12)
22/11/2019	ED/2019/6 Disclosure of Accounting Policies (Proposed amendments to IAS 1 and IFRS Practice Statement 2)
II. Comment Letters to the IFRS Interpretations Committee	
06/02/2019	IFRS Interpretations Committee's tentative agenda decisions in its November 2018 meeting
15/05/2019	IFRS Interpretations Committee's tentative agenda decisions in its March 2019 meeting
19/08/2019	IFRS Interpretations Committee's tentative agenda decisions in its June 2019 meeting
11/11/2019	IFRS Interpretations Committee's agenda decisions in its September 2019 meeting
III. Comment Letters to the IFRS Foundation	
29/07/2019	Proposed amendments to the IFRS Foundation Due Process Handbook
IV. Comment Letters to EFRAG	
a) Comment Letters on EFRAG's Draft Comment Letters	
01/04/2019	DCL on IASB's ED/2018/2 Onerous Contracts – Cost of Fulfilling a Contract (Proposed amendments to IAS 37)
25/10/2019	DCL on IASB's ED/2019/5 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Proposed Amendments to IAS 12)
b) Comment Letters on other EFRAG's Pronouncements	
11/03/2019	DP Non-exchange Transfers ('NETs'): A role for societal benefit?
28/06/2019	EFRAG Questionnaire on Equity Instruments – Research on Measurement
14/11/2019	DP Accounting for Pension Plans with an Asset-Return Promise
V. Comment Letters to other Organisations	
31/01/2019	Technical Expert Group on Sustainable Finance: Report on Climate-related Disclosures
14/03/2019	European Commission's Consultation Document on the Update of the Guidelines on Non-financial Reporting

Reflecting and managing change. Corporate reporting is increasingly being seen as a way to support socio-political aims. As a result, non-financial aspects are becoming more and more important. We keep a close eye on current developments and their implications for our work. As a standard-setter, we believe we play a role wherever financial reporting is concerned.

III. Spotlight on Members

This section addresses the activities we performed exclusively for our members in 2019. Of particular note are the regular conference calls with Chief Accounting Officers (CAO Calls) and our preparer forums, which we report on below.

With regard to this type of cooperation, it is important to us that communication is multidirectional. We provide our members with information on issues relating to financial reporting. In return, we ask our members to actively express their views and give feedback on selected matters. Last but not least, we provide our members with an opportunity to discuss their experiences and questions with each other.

PREPARER FORUMS

The ASCG has been holding issue-specific discussion forums exclusively for our member companies and associations since 2015. The primary purpose of these preparer forums is to serve as a platform for both preparers and auditors to share experiences and ask questions about the implementation of new standards in Germany. We have since established further forums of this sort, which are very well attended. Our aim is to add additional value for our members who fund and support our association. Although the focus is on preparers, all members of the ASCG are invited to attend and get involved.

In 2019, there were further ASCG preparer forums for (Group) Management Reporting and, for the first time, for ESEF-based Electronic Financial Reporting. These forums also gave our members an insight into current developments and enabled them to discuss implementation questions. We would like to thank our member companies and associations for their active participation and are already looking forward to our preparer forums in 2020.

Preparer Forum for Group Management Reporting

The preparer forum for (Group) Management Reporting, which was established in 2018 as a result of the amendment of GAS 20 to include specific provisions on the new reporting requirements set out in the CSR Directive Implementation Act, met for the third time in autumn 2019.

Among other matters, participants discussed the formal pitfalls arising from the voluntary audit of the non-financial statement and the lack of clarity in the requirements of the Act and GAS 20 with regard to non-financial reporting. In addition, the agenda of the European Corporate Reporting Lab @EFRAG was discussed.

This series of events has not yet come to an end and at least one further meeting of this preparer forum is planned for 2020.

Preparer Forum for ESEF-based Electronic Financial Reporting

The first ASCG preparer forum ESEF-based for Electronic Financial Reporting was held in Berlin on 27 November 2019 and saw more than 50 company representatives, auditors and associations come together to discuss the ESEF.

The basis for this forum was, among other things, the publication for consultation by the BMJV and the BMF of a ministerial draft of an act to implement the amendments under EU Directive 2013/50/EU with regard to the single electronic format for annual financial reports. According to this draft, corporate reporting by listed companies would be harmonised by the implementation of the European Single Electronic Format (ESEF) for annual financial reports for financial years starting from 1 January 2020.

The issues discussed by participants included:

- implementing iXBRL (Inline eXtensible Business Reporting Language) in corporate practice
- the European legal framework for ESEF
- practical experiences with taxonomy updates and tagging information in the notes
- legislative implementation of ESEF in Germany

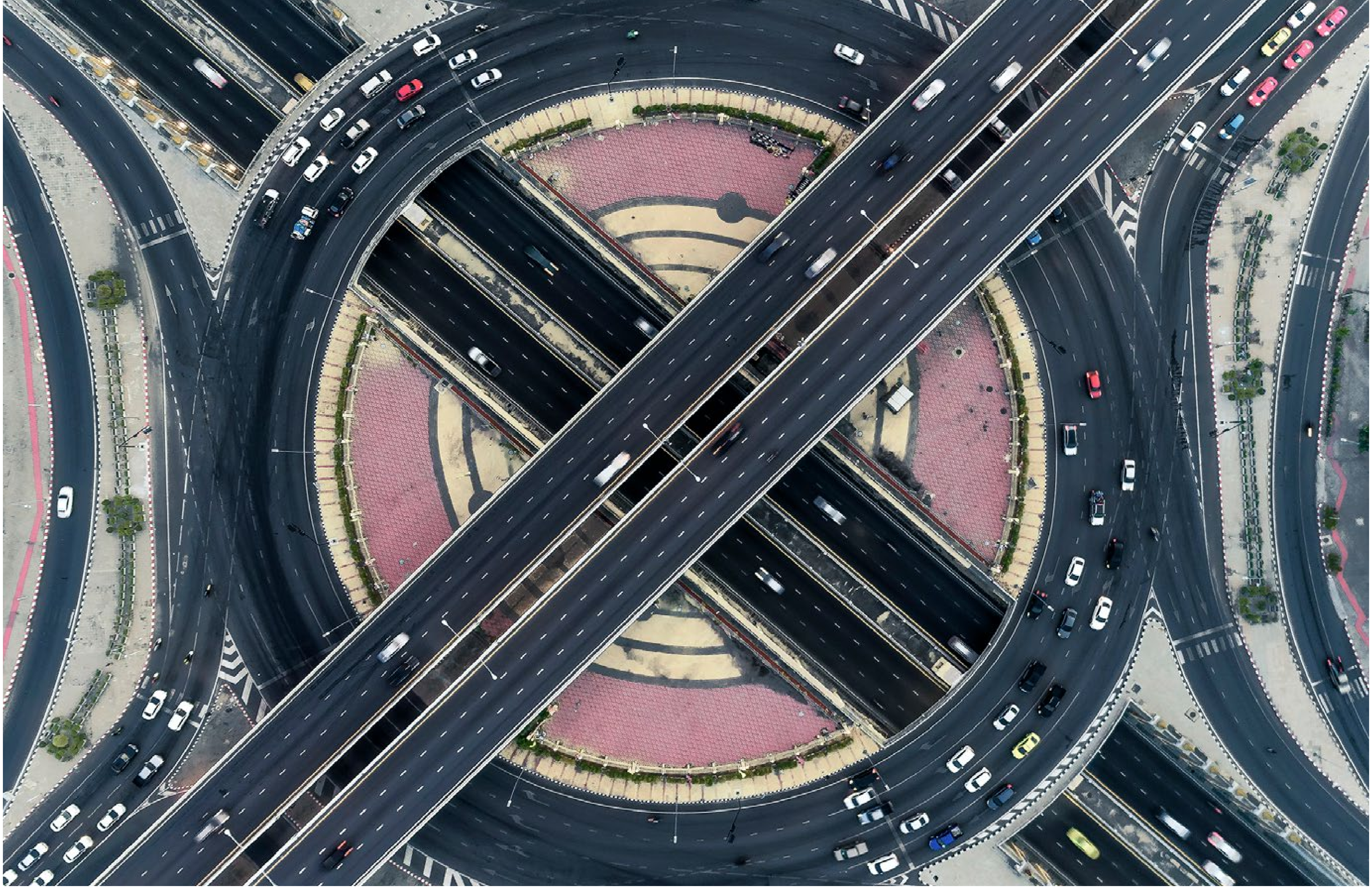
It became apparent that the implementation of a single reporting format as set forth in the ministerial draft presents a challenge for the companies concerned from both a business and a technical perspective. The next ASCG preparer forum for Electronic Financial Reporting will be held on 18 March 2020. We look forward to hearing the participants' views on the then published government draft.

CAO CALLS

For several years, we have been offering the Chief Accounting Officers (CAOs) of ASCG members that are listed companies the opportunity to directly exchange views with us and each other in the form of conference calls (CAO Calls). We hold these conference calls three or four times per year in order to inform the companies in a condensed form primarily about issues that are current and require immediate action. At the same time, we actively ask the companies to provide feedback on selected topics or questions. This feedback not only benefits the ASCG, but is also exchanged directly by the participants.

Focal points in the past year included the EU's European Single Electronic Format (ESEF) initiative for annual financial reports and the developments related to non-financial reporting. We also presented and discussed our revisions to GASs and the EFRAG consultations. Lastly, we provided our regular overview of the current standard-setting activities of the IASB.

We would like to expressly thank all involved for their participation in such high numbers at this series of events and also urge them to keep on providing us with feedback and opinions.



Safe and secure – in all directions. Our members have been putting their trust in us for more than 20 years. They have confidence that we will consistently recognise, address and analyse current financial reporting developments and trends. In their interest, we keep the full range of viewpoints in mind at all times. We evaluate all sides of the arguments to provide them with the information they need in a timely and focussed manner. We shape our shared course ahead for, and together with, our members.

IV. Financial Information

FINANCING

The ASCG funds its activities entirely from its membership fees and from royalties, publications and other income. The ASCG may only use income generated by its activities for the purposes stipulated in its Articles of Association. In this respect, generating a profit is not the primary objective of the Association. Rather, it acts in a non-profit capacity and fulfils its objectives as a professional association for its members. Although it acts in the general economic interest, the ASCG does not receive any public funding for exercising its functions.

In accordance with Article 5 of the Articles of Association, the level of annual membership fees is determined by the General Assembly. The annual membership fees stipulated in the current schedule of fees dated 2 July 2015 are as follows:

Annual Membership Fees	EUR
Companies (depending on whether and how listed)	10 000 – 50 000
Audit firms (depending on total audit revenue)	10 000 – 50 000
Associations	ab 20 000
Natural persons	1 000

ANNUAL FINANCIAL STATEMENTS

Balance Sheet as at 31 December 2019

ASSETS (EUR thou.)	**31/12/2019**	**31/12/2018**
A. Fixed Assets		
I. Intangible Assets	27	46
II. Tangible Fixed Assets	21	30
	48	76
B. Current Assets		
I. Receivables and Other Assets	2	4
II. Cash, Bank Balances and Cheques	2 090	1 935
	2 092	1 939
C. Prepaid Expenses	5	18
Total Assets	**2 145**	**2 033**

EQUITY AND LIABILITIES (EUR thou.)	**31/12/2019**	**31/12/2018**
A. Equity		
I. Retained Profits Brought Forward	1 842	1 597
II. Net Income for the Financial Year	89	245
	1 931	1 842
B. Provisions		
Other Provisions	168	153
	168	153
C. Liabilities		
I. Trade Payables	10	4
II. Other Liabilities	36	34
	46	38
Total Equity and Liabilities	**2 145**	**2 033**

ANNUAL FINANCIAL STATEMENTS

Income Statement for the Year Ended 31 December 2019

(EUR thou.)	2019	2018
1. Membership Fees	2 232	2 305
2. Other Income	87	131
3. Personnel Expenses	- 1 331	- 1 319
4. Depreciation and Amortisation Expenses	- 29	- 25
5. Other Expenses	- 520	- 497
6. Contributions to EFRAG	- 350	- 350
7. Collected Contributions to the IFRS Foundation	782	856
8. Transferred Contributions to the IFRS Foundation	- 782	- 856
Net Income for the Financial Year	**89**	**245**

INDEPENDENT AUDITOR'S REPORT

To the Accounting Standards Committee of Germany, Berlin:

Opinion

We have audited the annual financial statements of the Accounting Standards Committee of Germany – comprising the balance sheet as of 31 December 2019 and the income statement for the financial year from 1 January to 31 December 2019.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to all merchants.

Pursuant to section 322(3) sentence 1 of the *Handelsgesetzbuch* (HGB – German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for Opinion

We conducted our audit of the annual financial statements in accordance with section 317 of the HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Our responsibilities under those requirements and principles are further described in the 'Auditor's Responsibilities for the Audit of the Annual Financial Statements' section of our auditor's report. We are independent of the Association in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Responsibilities of Management for the Annual Financial Statements

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to all merchants. In addition, management is responsible for such internal control as it, in accordance with German legally required accounting principles, has determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Association's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters relating to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict with this.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 of the HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems for the Association.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to be able to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, 31 January 2020

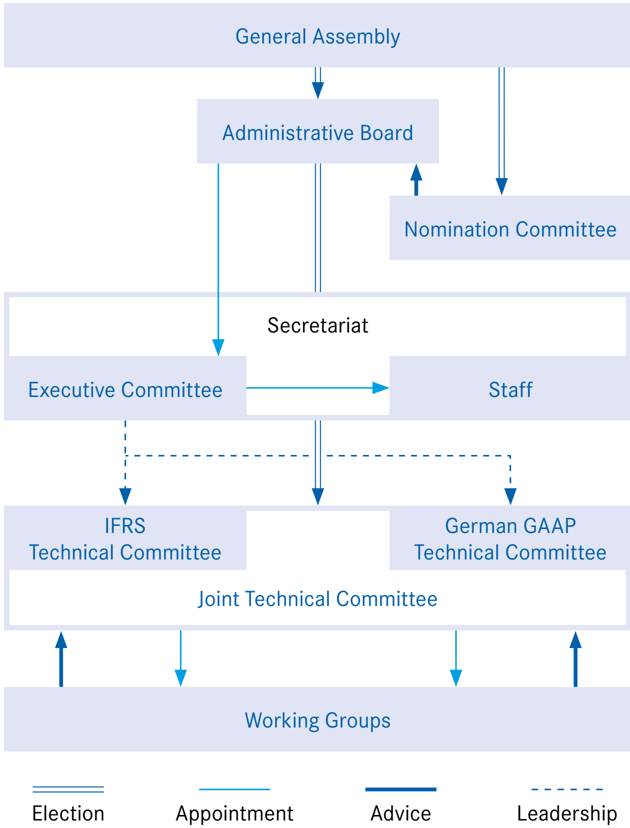
FGS Revisions- und Treuhandgesellschaft mbH
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Hoppen
Wirtschaftsprüfer (German public auditor)

Jachtner
Wirtschaftsprüfer (German public auditor)

V. Governing Bodies and Standing Committees

In accordance with the current Articles of Association dated 2 July 2018, the ASCG has the following governing bodies and standing committees that control and shape the work of the Association.



GENERAL ASSEMBLY

The General Assembly meets annually. Among other things, it elects, dismisses and approves the actions of the members of the Administrative Board and the Nomination Committee. It is also responsible for determining the amount of the annual fee, the business plan, adopting the annual financial statements, and amending the Articles of Association.

As the membership structure is designed to represent the different interests of the parties involved in accounting and financial reporting in the general economic interest, each member is allocated to one of the following segments:

- publicly traded industrial entities and associations (segment ‘A’)
- non-publicly traded industrial entities and associations (segment ‘B’)
- banks and associations (segment ‘C’)
- insurance undertakings and associations (segment ‘D’)
- the accounting and auditing profession and associations (segment ‘E’).

ASCG Members

Companies and Associations

Aareal Bank AG
Allianz SE
Altana AG
Amana treuhand Wirtschaftsprüfungs- und Steuerberatungs-gesellschaft mbH (since 15 December 2019)
BASF SE
Bayer AG
BDO AG
Bertelsmann SE & Co. KGaA
Bilfinger SE (until 31 December 2019)
BMW - Bayerische Motorenwerke AG
Bundesverband der Deutschen Industrie e.V. (BDI)
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. (BVR)
Bundesverband Deutscher Banken e.V.
Bundesverband Öffentlicher Banken Deutschlands, VÖB, e.V.
Commerzbank AG
Continental AG
Covestro AG (since 3 July 2019)
Daimler AG
DB Privat- und Firmenkundenbank AG
Deloitte GmbH
Deutsche Bahn AG
Deutsche Bank AG
Deutsche Lufthansa AG
Deutsche Post AG
Deutsche Telekom AG
Deutscher Sparkassen- und Giroverband e.V.
DGRV - Deutscher Genossenschafts- und Raiffeisenverband e.V.
Dr. August Oetker KG
Drägerwerk AG & Co. KGaA
E.ON SE
Ebner Stolz GmbH & Co. KG
EnBW Energie Baden-Württemberg AG
Ernst & Young GmbH
Evonik Industries AG
Franz Haniel & Cie. GmbH
Fresenius Medical Care AG & Co. KGaA
Fresenius SE & Co. KGaA
Freudenberg & Co. KG
Generali Deutschland AG
Gesamtverband der Deutschen Versicherungsgwirtschaft e.V. (GDV)
Henkel AG & Co. KGaA
Hornbach Holding AG & Co. KGaA
Infineon Technologies AG
innogy SE (until 31 December 2019)
Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)
K+S AG
Klöckner & Co SE
KPMG AG
LANXESS AG
Linde AG
MAN SE
Mazars GmbH & Co. KG
Merck KGaA
Metro AG
MTU Aero Engines AG (since 1 April 2019)
Münchener Rückversicherungs-Gesellschaft AG
Nordex SE
OSRAM Licht AG
Otto GmbH & Co. KG
PKF Deutschland GmbH
PricewaterhouseCoopers GmbH
ProSiebenSat.1 Media SE
Robert Bosch GmbH
Rödl & Partner GmbH
RWE AG
SAP SE
Schwarz Dienstleistung KG
Siemens AG
Südzucker AG
Talanx AG
ThyssenKrupp AG
Vereinigung zur Mitwirkung an der Entwicklung des Bilanzrechts für Familiengesellschaften e.V. (VMEBF)
Villeroy & Boch AG (until 31 December 2019)
Volkswagen AG
Vonovia SE
Warth & Klein Grant Thornton AG
Wirtschaftsprüferkammer Körperschaft des öffentlichen Rechts
ZF Friedrichshafen AG

Individuals

Prof. Dr Edgar Löw
Hans-Christoph Seewald

ADMINISTRATIVE BOARD

The Administrative Board has 20 members who are elected by the General Assembly for a three-year term of office. The Administrative Board defines the principles and guidelines for the work of the association, and in particular of the technical committees and the Executive Committee, taking the general economic interest into account. It elects the members of the technical committees and appoints, advises and supervises the Executive Committee. The term of office of the current members of the Administrative Board (with the exception of Götz Treber, who was appointed until 1 July 2022) expires on 9 July 2020.

Chair

Dr Ralf P. Thomas
Member of the Executive Board, Siemens AG

Deputy Chair

Prof. Dr Dieter Truxius
Dean of the Business School, University of Mannheim

Treasurer

Prof. Dr Norbert Winkeljohann (WP, StB)
Private Practice

Members

Prof. Dr Stefan Asenkerschbaumer
Member of the Executive Board, Robert Bosch GmbH

Klaus Eckmann (WP, StB)
Member of the Executive Board, BDO AG

Dr Bernhard Günther
Member of the Executive Board, innogy SE

Paul Hagen
Member of the Supervisory Board, HSBC Trinkaus & Burkhardt AG

Albert Hasselmeyer
Private Practice

Dr Christoph Hütten
Chief Accounting Officer, SAP SE

Carsten Knobel
Member of the Executive Board, Henkel AG & Co. KGaA

Robert Köthner
Chief Accounting Officer, Daimler AG

Simone Menne
Private Practice

Prof. Dr Klaus-Peter Naumann (WP, StB)
Spokesman of the Executive Board, Institute of Public Auditors in Germany

Dr Christian Ossig
Member of the Executive Board, Association of German Banks

Dr Eckhard Ott (RA, WP, StB)
Chief Executive Officer, German Cooperative and Raiffeisen Confederation (DGRV)

Andreas Roeper
Vice President Corporate Controlling, Uniper SE

Dr Roman Sauer
Head of Group Accounting & Reporting, Allianz SE

Dr Karl-Peter Schackmann-Fallis
Executive Member of the Board, German Savings Banks Association

Götz Treber (since 2 July 2019)
Head of Financial Regulation, Gesamtverband der Deutschen Versicherungswirtschaft e.V.

Dr Axel Wehling (until 2 July 2019)
Member of the Executive Board, German Insurance Association (GDV) until 31 December 2018

Ute Wolf
Finanzvorstand, Evonik Industries AG

NOMINATION COMMITTEE

The Nomination Committee comprises seven members who are elected by the General Assembly. The Nomination Committee submits proposals to the Administrative Board for the election of the members of the Executive Committee and the technical committees. The term of office of the current members of the Nomination Committee expires on 9 July 2020.

Chair

Dr Thomas Wittig
Head of BMW Group Financial Services, BMW AG

Deputy Chair

Peter Krieg
Private Practice

Members

Prof. Dr Hans-Joachim Böcking
Chair of Business Administration, Auditing and Corporate Governance, Goethe University Frankfurt a. M.

Rolf Friedhofen (WP, StB)
Private Practice

Prof. Dr Bernhard Pellens
Chair of International Accounting, Ruhr University Bochum

Dr Wolfgang Russ (WP, StB)
Partner, Ebner Stolz Mönning Bachem GmbH & Co. KG

Hans-Jürgen Säglitz
Head of Accounting Department, German Insurance Association GDV

EXECUTIVE COMMITTEE

The Executive Committee currently comprises the President. The President is elected by the Administrative Board at the proposal of the Nomination Committee. It manages the business of the association, represents the association and the technical committees and their work externally, and is the legal representative of the association in accordance with section 26 of the Bürgerliches Gesetzbuch (BGB – German Civil Code).

In order to support the President in managing the business of the association, the Administrative Board appointed an Executive Director, who is a special representative of the association in accordance with section 30 of the BGB.

President

Prof. Dr Andreas Barckow
(term expires 28 February 2021)

Executive Director

Prof. Dr Sven Morich (WP, StB)
(term expires 30 November 2022)

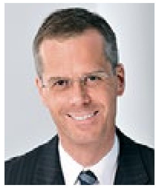
TECHNICAL COMMITTEES

The ASCG's technical work is handled mainly by the technical committees – the IFRS Technical Committee, the German GAAP Technical Committee and the Joint Technical Committee. The members of the technical committees are elected by the Administrative Board for a three- to five-year term of office at the proposal of the Nomination Committee. They conduct their unpaid activities independently in line with the principles and guidelines laid down by the Administrative Board.

The IFRS Technical Committee and the German GAAP Technical Committee are each composed of seven members with particular specialist expertise and experience in the field of accounting and financial reporting. The Joint Technical Committee consists of the members of both technical committees. In exceptional cases, and taking into account the responsibilities of each technical committee, it is responsible for financial reporting issues that apply equally to and are relevant for both publicly traded and non-publicly traded companies.

IFRS Technical Committee

Jens Berger
Category: Auditor
Head of the IFRS Centre of Excellence,
Deloitte GmbH
(since 1 December 2019,
term expires 30 November 2024)



Guido Fladt (WP, StB, CPA)
Category: Auditor
Head of the National Office,
PricewaterhouseCoopers GmbH
(until 26 October 2019)

Prof. Dr Sven Hayn (WP CPA)
Category: Auditor
Assurance Partner, Ernst & Young GmbH
(term expires 26 October 2020)

Bianca Hoffman
Category: Preparer
Head of Group Accounting Policy Department,
Allianz SE
(until 2 July 2019)

Prof. Dr Hans-Jürgen Kirsch
Category: Academic
Institute of Accounting and Auditing, University of Münster
(term expires 26 October 2020)

Andreas Thiele
Category: Preparer
Head of Accounting Policy Department,
Allianz SE
(since 2 July 2019,
term expires 30 November 2022)

Dr Jörg Wallbaum
Category: Preparer
Chief Accounting Officer, Uniper SE
(term expires 30 April 2022)

Dr Christoph Weber
Category: Preparer
Head of Group Accounting Policies, Helaba Landesbank Hessen-Thüringen
(term expires 26 October 2021)

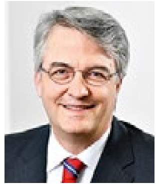
Dr Stefan Wich
Category: Preparer
Head of Group Accounting Standards,
Merck KGaA
(term expires 30 November 2021)

German GAAP Technical Committee

Dr Stephan Brandt
Category: Preparer
Head of Finance and Controlling,
Investitionsbank Berlin
(term expires 26 October 2021)

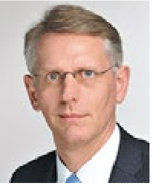
Prof. Dr Brigitte Eierle
Category: Academic
Chair of International Accounting and Auditing,
Otto-Friedrich-University Bamberg
(since 1 December 2019,
term expires 30 November 2024)

Prof. Dr Christian Fink
Category: Academic
Chair of Accounting and Controlling,
Wiesbaden Business School
(term expires 26 October 2021)



Prof. Dr Bernd Grottel (WP StB)
Category: Auditor
Member of the Executive Board,
KPMG Bayerische Treuhandgesellschaft AG
(term expires 26 October 2021)

Prof. Dr Isabel von Keitz
Category: Academic
Faculty of Business Administration,
Münster University of Applied Sciences
(until 26 October 2019)



Dr Bernd Keller (WP, StB)
Category: Auditor
Partner, Rödl & Partner GmbH
(term expires 26 October 2020)

Claudia Nikolic (StB)
Category: Preparer
Authorised Signatory, Group Accounting,
Bayerische Beamten Lebensversicherung a. G.
(term expires 30 November 2023)

Cedric von Osterroht (StB)
Category: Preparer
Head of Accounting Division,
EDEKA Minden-Hannover Zentralverwaltungs-
gesellschaft mbH
(term expires 26 October 2020)

STAFF

The ASCG's staff are highly qualified specialists with backgrounds in industry, research and teaching. They provide technical support to both the IFRS Technical Committee and the German GAAP Technical Committee, and to the German members of international bodies.

Research Director

Kristina Schwedler
+ 49 (30) 20 6412-14
schwedler@drsc.de

Administration/Assistance

Cornelia Bahrmann
+ 49 (30) 20 6412-12
bahrmann@drsc.de

Technical Directors

Dr Jan-Velten Große
+ 49 (30) 20 6412-23
grosse@drsc.de

Dr Thomas Schmotz
+ 49 (30) 20 6412-16
schmotz@drsc.de

Project Managers

Olga Bultmann
+ 49 (30) 20 6412-17
bultmann@drsc.de

Dr Ilka Canitz
(since 1 October 2019)
+ 49 (30) 20 6412-29
canitz@drsc.de

Holger Obst
(until 30 June 2019)

Peter Zimniok
+ 49 (30) 20 6412-19
zimniok@drsc.de

WORKING GROUPS

For major projects, the technical committees establish working groups to provide technical support, consisting primarily of preparers, auditors and academics. The working groups in the past year are shown below.

Financial Instruments

Prof. Dr Martin Glaum (Chair)	WHU – Otto Beisheim School of Management Vallendar
Dr Alexander Bantz (since April 2019)	BASF SE
Jens Berger (until November 2019)	Deloitte GmbH
Mario Bremenkamp	Covestro Deutschland AG
Lothar Demant	Evonik Industries AG
Peter Flick	PricewaterhouseCoopers GmbH
Mattis Hagemann	KfW Bankengruppe
Dr Patrick Kehm	Commerzbank AG
Andreas Klaus	Deutsche Bank AG
Katrin Krüger	RWE AG
Andreas Thiele (until June 2019)	Allianz SE
Alexander Thyroff	R+V Lebensversicherung AG
Dr Christoph Weber (IFRS Technical Committee Liaison Member)	Landesbank Hessen-Thüringen
Dr Jan-Velten Große	ASCG

Consolidation

Prof. Dr Bernd Stibi (Chair)	Institute of Public Auditors in Germany (IDW)
Michael Deubert	PricewaterhouseCoopers GmbH
Dr Christian Gaber	IKB Deutsche Industriebank AG
Thomas Gessen	Schwarz Dienstleistungen KG
Dr Manfred Jutz	Dr. August Oetker KG
Henrik Müller	Wilh. Werkahn KG
Prof. Dr Thomas Senger	Warth & Klein Grant Thornton AG
Dr Ahmad Sultana	Ernst & Young GmbH
Prof. Dr Isabel von Keitz (German GAAP Technical Committee Liaison Member until October 2019)	Münster University of Applied Sciences
Peter Zimniok	ASCG

Group Management Report

Prof. Dr Peter Kajüter (Chair)	University of Münster
Martin Bolten	NRW.BANK
Antje Böttcher	Versicherungskammer Bayern
Werner Ellmauer	BMW AG
Dr Volker Kaminski	Herrenknecht AG
Nicole Richter	Ernst & Young GmbH
Kerstin Schlesiger	Bayer AG
Prof. Dr Christian Fink (German GAAP Technical Committee Liaison Member)	Wiesbaden Business School Hochschule RheinMain
Dr Thomas Schmotz	ASCG

Remuneration of Members of Governing Bodies

Prof. Dr Nils Crasselt (Chair)	University of Wuppertal
Dr Stefan Bischof	Ernst & Young GmbH
Martin Bolten	NRW.BANK
Rainer Gebele	KPMG AG
Michael H. Kramarsch (until December 2019)	hkp Deutschland GmbH
Marc Muntermann (since December 2019)	Siemens AG
PD Dr Moritz Pöschke (since December 2019)	University of Freiburg
Dirk Rimmelspacher (since December 2019)	PricewaterhouseCoopers GmbH
Regine Siepmann (since January 2020)	hkp Deutschland GmbH
Dr Thomas Schmotz	ASCG

Pensions

Dr Friedemann Lucius (Chair)	HEUBECK AG
Dr Alexander Büchel	Genossenschaftsverband Bayern e.V.
Larsen Dietz	Bayer AG
Dr Peter Feige	PricewaterhouseCoopers GmbH
Dr André Geilenkothen	Aon Hewitt GmbH
Thomas Hagemann	Mercer Deutschland GmbH
Alexandra Speigel	Daimler AG
Harald Stuhlmann	Continental Automotive GmbH
Dr Knut Tonne	KPMG AG
Kristina Schwedler	ASCG

Rate-regulated Activities

Markus Lotz (Chair)	50Hertz Transmission GmbH
Olaf Boelsems	Ernst & Young GmbH
Christiane Heveling	DB Mobility Logistics AG
Dr Britta Leippe	RWE AG
Gerd Lützeler	Private Practice
Sonja Michalski	Deutsche Telekom AG
Ralph Welter	PricewaterhouseCoopers GmbH
Prof. Dr Henning Zülch	HHL Leipzig Graduate School of Management
Guido Fladt (IFRS Technical Committee Liaison Member until October 2019)	PricewaterhouseCoopers GmbH
Prof. Dr Sven Morich	ASCG

Insurance

Dr Roman Sauer (Chair)	Allianz SE
Ingo Bauer	R+V Versicherung AG
Olaf Brock	Hannover Rück SE
Christoph Drießen (until November 2019)	AXA Konzern AG
Dr Roland Feldhoff	Generali Deutschland AG
Adrian Geisel (since February 2020)	Deloitte GmbH
Dr Markus Horstkötter	Ernst & Young GmbH
Dr Joachim Kölschbach	KPMG AG
Alexandra Postert (since January 2020)	AXA Konzern AG
Werner Rockel	Münchener Rückversicherungs-Gesellschaft AG
Matthias Schell	Wüstenrot & Württembergische AG
Julia Unkel	PricewaterhouseCoopers GmbH
Thomas Volkmer	BDO AG
Prof. Dr Fred Wagner	University of Leipzig
Matthias Zeitler (until January 2020)	Deloitte GmbH
Dr Carsten Zielke	Zielke Research Consult GmbH
Andreas Thiele (IFRS Technical Committee Liaison Member since July 2019)	Allianz SE
Dr Jan-Velten Große	ASCG

ABBREVIATIONS

AG	Aktiengesellschaft (German stock corporation)
ASAF	Accounting Standards Advisory Forum
ASCG	Accounting Standards Committee of Germany
BMJV	Bundesministerium der Justiz und für Verbraucherschutz (Federal Ministry of Justice and Consumer Protection)
CPA	Certified Public Accountant
CSR	Corporate Social Responsibility
DCL	Draft comment letter
D-GAS	Draft German Accounting Standard
DP	Discussion Paper
Dr	Doctor
ED	Exposure Draft
EFRAG	European Financial Reporting Advisory Group
ESEF	European Single Electronic Format
ESMA	European Securities and Markets Authority
EU	European Union
EUR	Euro
e.V.	Eingetragener Verein (German registered association)
GAAP	Generally Accepted Accounting Principles
GAAS	German Amendment Accounting Standard
GAS(s)	German Accounting Standard(s)
GmbH	Gesellschaft mit beschränkter Haftung (German limited liability company)
HGB	Handelsgesetzbuch (German Commercial Code)
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IDW	Institut der Wirtschaftsprüfer in Deutschland e.V. (Institute of Public Auditors in Germany)
IFASS	International Forum of Accounting Standard Setters
IFRS(s)	International Financial Reporting Standard(s)
IG	Implementation Guidance
KG	Kommanditgesellschaft (German limited partnership)
KGaA	Kommanditgesellschaft auf Aktien (German partnership limited by shares)
Prof.	Professor
SE	Societas Europaea (European company)
StB	Steuerberater (Tax adviser)
TEG	Technical Experts Group
WP	Wirtschaftsprüfer (German public auditor)
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)
WSS	World Standard Setters

CONTACT INFORMATION

The Accounting Standards Committee of Germany (ASCG), a German registered association (e. V.), was established by an agreement dated 17 and 27 March 1998. It was registered in the Register of Associations of the Local Court of Berlin-Charlottenburg under the number 18526 Nz on 7 September 1998.

Published by

ASCG – Accounting Standards Committee of Germany
Zimmerstraße 30
10969 Berlin
Germany
Tel. + 49 (30) 20 6412-0
Fax + 49 (30) 20 6412-15
E-Mail info@drsc.de
Website www.drsc.de/en

Project Management and Editorial

Olga Bultmann, ASCG

Design

Kammann Rossi GmbH, Cologne

English Translation

Robin Bonthrone, Premium Financial-Legal Translations, LLC, Austin, Texas

Photography

Ralf Berndt, Cologne
except:
Getty Images (pages 10, 17, 30, 37, 40)
Shutterstock (pages 1, 22, 57)

LIABILITY/COPYRIGHT

The publisher does not accept any liability for, and does not represent or endorse the accuracy or reliability of, any of the information and content contained in this report. No part of this publication may be reproduced or transmitted, unless explicitly permitted by law, in any form or for any purpose without the express permission of the publisher.

© Copyright 2020 Accounting Standards Committee of Germany. All rights reserved.

All information valid as at: 28 February 2020.


DRSC
www.drsc.de/en