

**Report by the ASCG on the  
87<sup>th</sup> meeting of the IFRS Technical Committee  
7<sup>th</sup> meeting of the Joint Technical Committees and  
50<sup>th</sup> meeting of German GAAP Technical Committee  
on 18<sup>th</sup> and 19<sup>th</sup> June 2020**

***87<sup>th</sup> meeting of the IFRS Technical Committee***

At the beginning of its meeting, the IFRS Technical Committee continued its deliberation of the draft comment letter on the exposure draft **IASB ED/2019/7 General Presentation and Disclosures**. The discussion focused on the following topics:

- the proposed residual definition of the operating category;
- the proposals on income and expenses from investments made in the course of an entity's main business activities;
- the proposal for entities that provide financing to customers as a main business activity; and
- the investing category.

The IFRS Technical Committee confirmed its view that the presentation in the statement of cash flows should be aligned further with the statement of profit or loss. Consequently, the Technical Committee suggested to reflect the proposals on the new structure and content of the statement of profit or loss in IAS 7 *Statement of Cash Flows*. Further, the IFRS Technical Committee confirmed its criticism that the concept of an entity's 'main business activity' was too narrow; instead, the operating category should also include income and expenses from an entity's 'ancillary' business activities. In addition, a few detailed remarks were raised. The IFRS Technical Committee will continue its discussion at its next meeting.

Furthermore, the IFRS Technical Committee also deliberated further the contents of the IASB Discussion Paper **DP/2020/1 Business Combinations - Disclosures, Goodwill and Impairment**. The proposed disclosures on the subsequent performance of an acquisition were supported in principle, however, the determination of company-specific materiality thresholds for the disclosures on acquisitions was considered the most appropriate method. In addition, the IFRS Technical Committee supported the addition of disclosure objectives and the proposed disclosures on the composition of goodwill.

***7<sup>th</sup> meeting of the Joint Technical Committee***

The Joint Technical Committee was informed about the progress on the study commissioned by the Federal Ministry of Justice and Consumer Protection. The Joint Technical Committee also dealt with the draft of the ASGC comment letter to the European Commission on the "Renewed Finance Strategy" consultation. Further, the Joint Technical Committee was provided with detailed information about the content of the European Supervisory Authorities' draft RTS "ESG Disclosures", specifying the requirements of the Disclosure Regulation (2019/2088). The Joint Technical Committee decided to develop a comment letter and discussed those issues from the consultation that are relevant to the ASCG.

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Next, the Joint Technical Committee discussed the revision and extension of the ASCG Implementation Guidance 3 (IFRS) ***Selected IFRS Accounting Issues with a Particular Relevance to Macroeconomic and Entity-specific Crisis Situations***. The Joint Technical Committee unanimously agreed with amending and extending this guidance in the mid-term. The future version shall include answers on accounting issues with focus on IFRS requirements as well as on German GAAP. Members of the IFRS Technical Committee further confirmed finalisation and publication of, as a short-term action, editorial amendments to the current Guidance as suggested with the Draft circulated for this meeting.

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

The German GAAP Technical Committee concluded its discussion of the comments received through comment letters or publications in journals on the draft of the **German Accounting Amendment Standard No. 11** (D-GAAS 11) addressing amendments to GAS 18 *Deferred Taxes*. In addition to some editorial changes, the German GAAP Technical Committee agreed on the following amendments to the draft amendment standard:

- Paragraph 28a, which proposes an application of section 306 sentence 4 of the HGB to temporary differences in connection with foreign branches by analogy, should not be included in the final amendment standard.
- Proposed paragraph 27b, which allows to apply section 306 sentence 3 of the HGB to temporary differences resulting from the initial recognition of goodwill under section 246(1) sentence 4 of the HGB, should be moved from the main body of the standard to the basis for conclusions.