

**Report by the ASCG on the
104th meeting of the IFRS Technical Committee
on 12th and 13rd July 2021**

At the beginning of the meeting, the Technical Committee continued its discussion of the draft of its comment letter on **IASB DP/2020/2 Business Combinations under Common Control**, focusing on the draft wording of its answers to the issues raised by the IASB, supplemented in some cases by feedback from the public discussion held on June 7, 2021. Further discussion of the draft comment letter will now be conducted by written procedure, in order to finalise the comment letter by September 1, 2021.

Also, the Technical Committee continued its discussion of the **IASB ED/2021/3 Disclosure Requirements in IFRS Standards - A Pilot Approach (Proposed Amendments to IFRS 13 and IAS 19)**. Firstly, the results of the discussions of the ASCG's working group "Pensions" were presented to the IFRS Technical Committee. Based on this, the Technical Committee discussed the proposed amendments to IAS 19 in depth. As a result of the discussion, the proposed amendments to IAS 19 are generally supported. However, the IASB should make some of the proposals more specific (such as the proposed disclosures on the expected future cash flows relating to defined benefits). However, some proposals by the IASB (such as the removal of sensitivity disclosures) did not find support. The IFRS Technical Committee intend continue the discussion at its next meeting.

In respect of the **IASB's agenda consultation**, the IFRS Technical Committee continued its discussion, by focusing on the proposals for new financial reporting issues and its priorities. Initially, it was noted that not all projects being part of the IASB's current work program should necessarily remain on the agenda. Assessing priority for potential new financial reporting issues is even more useful if it is considered in relation to current projects. As a next step, the IFRS technical committee selected six issues from the list in Appendix B of the RfI, which appear important and, therefore, are tentatively assessed as high or medium priority. Subsequently, those issues were considered in more detail as to whether its potential scope should be large medium, or small. This assessment will be continued in the next meeting.

Furthermore, the IFRS Technical Committee deliberated the issues and results from the **IFRS Interpretations Committee's (IFRS IC) video conference** in June 2021. No comments were made on the two final agenda decisions (re. IAS 2 and IAS 10) nor on the tentative agenda decision von IFRS 16. However, the IFRS Technical Committee provided comments on the tentative agenda decision on IFRS 9 and IAS 20 and the respective reasoning. While the relevant IFRS requirements were clarified comprehensively by the IFRS IC, the wording lacks precise answers on several questions raised. In the view of the Committee, it appears insufficient as the IFRS IC is underlining that IAS 20 requirements are sufficiently clear while not deriving appropriate answers in relation to the fact pattern submitted.

Finally, the IFRS Technical Committee was informed about the IASB's recent decisions on the issue of „**classification of debts with covenants**“.

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