

**Report by the ASCG on the
the 107th meeting of the IFRS Technical Committee
on 28th and 29th October 2021**

At the beginning of the meeting, the IFRS Technical Committee debated the EFRAG Discussion Paper „**Better Information on Intangibles - Which is the best way to go?**“ The Technical Committee decided to submit a comment letter on the Discussion Paper. The new Technical Committee “Financial Reporting” should take the lead; the new Technical Committee “Sustainability Reporting” shall be informed on an ongoing basis and should be included in the discussion if required.

Furthermore, the Technical Committee decided to hold a public discussion in the first quarter of 2022. In addition to the discussion paper, it should also address other current standard-setting initiatives on intangibles - in particular the CSRD proposals relating intangibles (including any further work by the EFRAG Project Task Force on European Sustainability Reporting Standards) and the emerging IASB research project on intangible assets.

Further, the IFRS Technical Committee continued its discussion of the draft comment letter on the **IASB ED/2021/3 Disclosure Requirements in IFRS Standards - A Pilot Approach (Proposed Amendments to IFRS 13 and IAS 19)**. The discussions focused on the draft responses regarding the proposed amendments to IAS 19 and the draft guidance for the IASB to use when developing and drafting disclosure requirements in IFRS Standards. In addition, the IFRS Technical Committee discussed its overall position on the IASB's proposals.

Overall, the IFRS Technical Committee takes a constructive critical view of the IASB proposals. The IFRS Technical Committee supported the proposed draft guidance for the IASB to use when developing and drafting disclosure requirements in IFRS Standards (in particular, the introduction of disclosure objectives was supported). Nevertheless, the IFRS Technical Committee expressed some concerns regarding how the proposed guidance were applied to the disclosure requirements of IAS 19 and IFRS 13. Based on the discussions, the draft comment letter is to be revised. The Technical Committee will continue its discussion of the draft comment letter at its next meeting.

Also, the Technical Committee was initially informed about the **Post-implementation Review IFRS 9 Financial Instruments Classification and Measurement**. During this meeting, the Committee already discussed thoroughly some of the sections in the IASB's discussion document and made initial comments. The Committee also confirmed that all issues mentioned as “spotlights” by the IASB are relevant and deserve being addressed. The Committee's comments so far will be the starting point for the subsequent discussions by the ASCG Financial instruments working group. The discussion by the Technical Committee will be continued during the next meeting.

Finally, the IFRS Technical Committee informed itself about the contents of the **IASB ED/2021/7 Subsidiaries without Public Accountability: Disclosures** and discussed the proposals for the first time. The discussions focused on the proposed objective and the scope of the proposed IFRS-Standard. The IFRS Technical Committee welcomed the proposed objective and the proposed scope of the ED. The proposed reduction of the volume of the disclosures in the notes was welcomed. Nevertheless, the proposed IFRS-Standard appears to be

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of limited relevance for German entities since the voluntary preparation of annual financial statements according to IFRS does not exempt from the obligation to prepare annual financial statements according to German commercial law. Possible cases of application of the proposed new IFRS, on the other hand, would be (assuming EU endorsement) the consolidated financial statements of a German subsidiary prepared voluntarily in accordance with IFRS.

The IFRS Technical Committee decided to prepare a comment letter to respond on the IASB's ED and to consult the interested public through targeted outreach activities. The Technical Committee will continue its discussion on the IASB ED at the next meeting.