

**Report on the
3rd meeting of the Financial Reporting Technical Committee
on 10 and 11 February 2022**

At the beginning of the meeting, the Financial Reporting Technical Committee discussed its draft comment letter on the legislative proposal published by the European Commission to establish a **European Single Access Point** (ESAP). The Technical Committee raised some additional comments on the legislative proposal (such as a suggestion to prioritise information related to sustainability reporting), which are to be added in the draft comment letter to the European Commission. The Technical Committee will continue its discussion of the draft comment letter at its next meeting in March 2022.

In addition, the Technical Committee discussed the contents of **IASB ED/2021/9 Non-current Liabilities with Covenants - Proposed Amendments to IAS 1** for the first time. The Technical Committee welcomed the proposed amendments and generally agreed with the proposed principle for classifying debt with covenants. Nevertheless, the Technical Committee identified some issues that should be clarified by the IASB. Regarding the proposal for a separate line item for “*non-current liabilities with covenants*” in the statement of financial position, the majority of Technical Committee members disagreed with the proposal, as the disclosures proposed by the IASB are sufficient to inform users of the financial statements about the risk of early repayment of debt with covenants. The Technical Committee will conclude the discussion at its next meeting in March 2022 and provide a comment letter to the IASB.

Further, the proposals in the IASB ED/2021/10 **Supplier Finance Arrangements - Proposed amendments to IAS 7 and IFRS 7** were presented and initially discussed. The Technical Committee generally agreed with these proposals. However, the Technical Committee acknowledged room for more clarity as regards some details. Also, the Committee takes the view that the proposals do not comprehensively address the challenges with Supplier Finance Arrangements, as they also comprise presentation issues, which are not covered by the Exposure Draft. The Technical Committee will conclude the discussion at its next meeting in March 2022 and provide a comment letter to the IASB.

Afterwards, the Financial Reporting Technical Committee was informed about the feedback received on D-GAAS 12 - Amendments to GAS 20 due to the Act to Supplement and Amend the Regulations for the Equal Participation of Women in Leadership Positions in the Private Sector and the Public Sector (Second Act on Leadership Positions - FÜPoG II). The committee approved minor changes to the text of the amendment standard. Following this discussion, the Financial Reporting Technical Committee unanimously adopted the **German Accounting Amendment Standard No. 12 (GAAS 12)**.

Contact:

Joachimsthaler Str. 34
D-10719 Berlin
Phone: +49 (0)30 206412-0
Fax: +49 (0)30 206412-15
E-Mail: info@drsc.de

Bank Details:

Deutsche Bank Berlin
IBAN-Nr.
DE26 1007 0000 0070 0781 00
BIC (Swift-Code)
DEUTDE33XXX

Register of Associations:

District Court Berlin-Charlottenburg, VR 18526 Nz
President:
Georg Lanfermann
Vice President:
Prof Dr Sven Morich