

**Report by the ASCG
on the 14th meeting of the Financial Reporting Technical Committee
16 February 2023**

At the beginning of the meeting, the FR Technical Committee finalised its comment letters to the IASB on its Exposure Draft **IASB ED/2023/1 International Tax Reform – Pillar Two Model Rules** (Proposed amendments to IAS 12) and to EFRAG on its draft comment letter on the ED, both drafted by the ASCG 'Tax' Working Group. It welcomes the IASB's proposal to introduce a mandatory exception to the requirements in IAS 12 to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. However, it expresses significant doubts that the disclosure requirements proposed in the ED would result in information that are relevant to users of financial statements, while still creating significant incremental operational efforts for preparers. Therefore, it recommends that the IASB reconsiders the disclosure requirements drafted in the ED.

Also finalized was the comment letter on **IASB ED/2022/1 Third edition of the IFRS for SMEs Accounting Standard**. Only a few editorial changes were made to the proposed draft comment letter.

In addition, the FR Technical Committee received an overview of the feedback received by the IASB on its **Primary Financial Statements** project as part of its targeted outreach activities and the IASB's tentative decisions on whether and to what extent to incorporate this feedback into its redeliberations plan. The Technical Committee welcomes that the IASB will reconsider the presentation of income and expenses from associates and joint ventures accounted for using the equity method. Furthermore, the FR Technical Committee supports that the IASB will focus its further discussions on material feedback in order to finalise the project in a timely manner. The Technical Committee also supports the IASB's intention to inform stakeholders comprehensively about the results of its redeliberations once the IASB's technical discussions have been completed.

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