

**Report by the ASCG
on the 16th meeting of the Financial Reporting Technical Committee
17 April 2023**

At the beginning of the meeting, the FR Technical Committee discussed its comment letter to the Federal Ministry of Finance on the Draft for a **Minimum Tax Directive Implementation Act**. The comment letter focuses on the following accounting-related topics: effects on accounting in accordance with German GAAP (HGB), data basis as starting point for the calculation of the qualifying income or loss and adjusted covered taxes.

Furthermore, the FR Technical Committee was informed about the topics and decisions taken by the **IFRSIC in its March 2023 meeting**. The Technical Committee had no comments on the final agenda decision as regards IFRS 16. Further, the Technical Committee explicitly and fully agreed with the tentative agenda decisions. As regards the IFRS IC's discussion on potential minor amendments to IFRS 16, the Technical Committee noted that a respective clarification or amendment would surmount the focus of an *Annual Improvements Project*.

In addition, the FR Technical Committee initially deliberated the **IASB ED/2023/2 Amendments to the Classification and Measurement of Financial Instruments – Proposed amendments to IFRS 9 and IFRS 7**. First, the Technical Committee was informed about the background of these proposals and the IASB's view about diverging urgency for these proposals. This was followed by a summary of the different proposals of ED/2023/2. Thereof, the clarification of how to assess contractual cashflow characteristics of financial instruments with specific features (like ESG elements) – supposed to be the IASB's main proposal – and the proposed disclosures for equity instruments classified at FVtOCI were presented and initially discussed in more detail. The IASB's remaining proposals will be deliberated during the Technical Committee's next meeting.

Finally, the FR Technical Committee was informed about the status of the IASB project on **Primary Financial Statements**. First, the discussions and tentative decisions of the recent IASB meeting were presented. At its March 2023 meeting, the IASB had continued its discussions on key issues of the project in response to feedback received from the IASB's targeted outreach activities. Key decisions related to the proposed additional disclosure requirements on operating expenses by nature and disclosures on management performance measures. The FR Technical Committee then discussed the IASB's tentative decisions. The FR Technical Committee reiterated its view that the IASB's tentative decisions are unbalanced in parts in terms of their cost-benefit ratio.

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