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**Financial Reporting Technical  
Committee**

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Berlin, 1 December 2023

Dear Andreas,

**ED/2023/4 Annual Improvements—Volume 11**

On behalf of the Accounting Standards Committee of Germany, I am writing to comment on the ED/2023/4 *Annual Improvements—Volume 11*, issued by the IASB on 12 September 2023 (herein referred to as 'ED'). We appreciate the opportunity to comment on the proposals.

While analysing the ED's proposals, our Financial Reporting Technical Committee has revisited the following Accounting Standards and accompanying guidance that would be affected by the proposed amendments:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*—hedge accounting by a first-time adopter;
- IFRS 7 *Financial Instruments: Disclosures*—gain or loss on derecognition;
- Guidance on implementing IFRS 7:
  - introduction;
  - disclosure of deferred difference between fair value and transaction price;
  - credit risk disclosures;
- IFRS 9 *Financial Instruments*:
  - derecognition of lease liabilities;
  - transaction price;
- IFRS 10 *Consolidated Financial Statements*—determination of a 'de facto agent'; and
- IAS 7 *Statement of Cash Flows*—cost method.

We acknowledge that annual improvements are limited to changes that either clarify the wording in an IFRS, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards.

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On that basis, we agree with the IASB's proposals to amend the IFRS Accounting Standards and accompanying guidance in the manner described in this ED as we consider all proposals to be mere editorial corrections.

If you would like to discuss our view further, please do not hesitate to contact Jan-Velten Große ([grosse@drsc.de](mailto:grosse@drsc.de)) or me.

Yours sincerely,

*Sven Morich*

Vice President