Annual Report 2024
Accounting Standards
Committee of Germany

DRSC

A FOCUS ON STAKEHOLDERS – DIALOGUES WITH IMPACT

CONTENT

A focus on stakeholders – dialogues with impact

Since its formation, the ASCG has been committed to the general economic and social interests of Germany. The comprehensive consideration of different perspectives across the entire spectrum of corporate reporting is crucial for us so that we can ensure the acceptance of the ASCG's positions as the 'German voice'. For us, 2024 was dominated by an extraordinary level of contact and interaction with a broad range of stakeholder groups – in the context of both financial and sustainability reporting and their digital transformation.

This year's concept shows how active and prominent we were in the continued development of holistic corporate reporting in 2024. Seven pages vividly document the breadth of involvement of all interested stakeholders, with each page focusing on a different key topic. We reflect on a large number of relevant gatherings organised by the ASCG and its partners with the broader public and with our own members.

This highlights the extent to which the ASCG informed and involved the public in the past year, created transparency, consolidated relevant opinions and facts, and initiated dialogues. A photo gallery that follows these concept pages offers some impressions from various events.

We will continue to respond at an early stage to current developments in corporate reporting and contribute to a broader social and regulatory dialogue. We would like to warmly invite you to play an active role. You can already save the dates for the next events!

Ladies and gentlemen, dear ASCG members,

In 2024, the ASCG continued to perform its wide-ranging tasks as a national standard-setter and actively contributed its technical expertise to support the development and enhancement of corporate reporting at national, European and international level as part of its mission to represent the general economic interest. I would therefore like to look back on the year 2024 with you.

In the area of sustainability reporting, 2024 was again dominated by the Corporate Sustainability Reporting Directive (CSRD), which came into force at the beginning of 2023 and which the German lawmakers were supposed to transpose into German law by mid-2024 in accordance with the EU requirements. On 22 March 2024, the Federal Ministry of Justice (BMJ), which is responsible for transposing the Directive into national law, published a ministerial draft to transpose the Directive. The fact that the lawmakers did not go beyond the European requirements in terms of reporting obligations in their draft and therefore complied with the fundamental principle of a 'one-to-one' transposition of the Directive was a positive aspect. This would not have put German companies at a disadvantage, at least compared with their European competitors. Nonetheless, the draft again clearly showed the companies concerned – and in particular small and medium-sized enterprises (SMEs) – that they would face huge one-time and ongoing costs and effort with regard to sustainability reporting. Practical challenges could also be identified in the proposed obligation to prepare management reports in the European Single Electronic Format (ESEF), referred to as the 'preparation solution'. For example, the fact that the preparation solution also requires the supervisory board to review and approve the (group) management report in this electronic format, which is primarily designed to facilitate machine readability, still appears questionable and does not seem to offer any added value compared with the existing disclosure solution. As usual, the ASCG commented constructively on the ministerial draft as part of the consultation process involving the Länder and associations from the perspective of the companies that will be obliged to implement the requirements, but also bearing in mind the general economic interest.

However, the government draft published on 24 July 2024 contained only a handful of noteworthy changes compared with the ministerial draft. Although it continued to focus on a 'one-to-one' transposition of the Directive, the problem of the preparation versus the disclosure solution, for example, that many parties had brought to the attention of the BMJ, was not addressed.

Although the German lawmakers had already exceeded the deadline set by the European lawmakers for transposing the CSRD at this point, they remained optimistic that the Directive would be transposed in time before the end of the year, therefore allowing it to apply to the first cohort of companies for the 2024 management report. However, the Directive was not transposed into national law by the end of 2024 because of the collapse of the 'traffic light' coalition government at the beginning of November. At the end of last year in particular, this complicated situation led to enormous uncertainty at companies affected by the planned initial application to the 2024 (group) management report. By publishing various briefing papers and guidance documents, the ASCG helped to answer questions concerning the consequences of not transposing the Directive and offered the companies a platform for discussion.

At the same time as the German lawmakers were working to transpose the CSRD into national law, the European Council proposed an 'Omnibus Package' to simplify current sustainability reporting requirements in its November 2024 Budapest Declaration to strengthen European competitiveness. This was primarily intended to provide relief for SMEs. A general reduction of at least 25% in the reporting obligations resulting from the CSRD, the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Taxonomy was defined as a target. In March 2025, EFRAG was mandated to submit a proposal for the revision of Set 1 of the European Sustainability Reporting Standards (ESRS) to reflect the call formulated in the Budapest Declaration to revise redundant and overlapping requirements. This means that things are still quite exciting with regard to both the transposition of the CSRD and the revision of the content of ESRS in 2025. The ASCG will continue to actively participate in this process as the 'German voice'.

In addition to its work on transposing the CSRD, the ASCG continued to support the development and evolution of ESRS last year and, for example, participated in the consultation on the draft standards for SMEs, the standards for Listed Small and Medium-sized Enterprises (LSME) and the Voluntary Sustainability Standards for SMEs (VSME). In addition, the six Preparer Forums on the introduction of ESRS held in 2024 were very well received by our members. There was therefore a continuing need in 2024 to engage in dialogue on issues relating to the application of ESRS.

▲ **Marco Swoboda**
Chairman of the Administrative Board

In addition to these developments in the area of sustainability reporting, the past year also brought a number of changes in the area of financial reporting. On 9 April 2024, following a project phase of almost nine years, the IASB published IFRS 18 Primary Financial Statements, which includes significant changes to the primary financial statements compared with its predecessor, IAS 1. One change that will affect the majority of entities is the future classification of the statement of profit or loss into the categories 'operating', 'investing' and 'financing'. The IASB has set entities quite a task for the coming years with this and other structural changes to the primary financial statements, as well as the requirement for additional disclosures in the notes with the overarching goal of improving the comparability and transparency of financial statements. The time until initial application for financial years beginning on or after 1 January 2027 (subject to EU endorsement) will therefore have to be used wisely. Last year, in addition to a joint public information event with EFRAG and the IASB, the ASCG also launched a Preparer Forum for dialogue between its members on this topic, which has already been continued with further events in 2025.

The IASB also pressed ahead last year with the development of amendments to IFRS 9 and IFRS 7 relating to 'contracts referencing nature-dependent electricity'. The aim was to eliminate the challenges that entities currently face in applying the standards to certain physical or virtual power purchase agreements – primarily those relating to renewable energy sources. In light of the steadily growing importance of green energy, it is to be welcomed that the standard-setter understood the urgency of the changes and published an exposure draft on 8 May 2024 after a comparatively short project phase. In July, the ASCG, together with the IASB, EFRAG and the Austrian standard setter (AFRAC), organised a public outreach event at which the proposed amendments were the subject of lively discussion. The insights gained during the event were subsequently incorporated into a comment letter on the exposure draft. Although the amendments to the standard published at the end of 2024 are not yet applicable due to outstanding EU endorsement, the relaxation of the requirements for application of the own-use exception and the conditions for hedge accounting will certainly eliminate at least some of the current challenges in accounting for power purchase agreements for electricity from renewable energies for many entities, and provide users of financial statements with more decision-useful information.

The amendments to IFRS 3 and IAS 36 proposed by the IASB in 2024 will undoubtedly keep us busy over the next few years as, in addition to the removal of restrictions on impairment testing, they above all will require new, very comprehensive notes disclosures on business combinations. It remains to be seen to what extent the IASB will respond to the many points of criticism voiced in this regard, including by the ASCG.

In addition to its technical work in the area of financial reporting, in 2024 the ASCG launched the second phase of its evaluation of the application of IFRSs in Germany, which began in 2023. After the first phase was completed with structured stakeholder interviews, this was followed last year by a more detailed empirical online survey of companies and other stakeholders. The insights gained from this will now be followed up in case studies that aim to shed further light on the question of the extent to which and under what conditions it makes sense to apply IFRSs in single-entity financial statements, and hence provide valuable input for German lawmakers.

I am also pleased to report that the ASCG took the next step in the further development of its technical work last year. At its meeting on 29 April 2024, the Administrative Board resolved to establish a stakeholder panel that will be directly involved in the work of the technical committees in an advisory capacity. Our aim is to further strengthen the involvement of users of financial reporting – from the financial sector, through employee representatives, down to environmental organisations – above and beyond the existing opportunity to participate in the technical committees.

The growth in the ASCG's membership base continues to be very encouraging. Last year, we welcomed a total of five new members: Dornbach GmbH, Horváth AG, init innovation in traffic systems SE, Porsche SE and RENK Group AG.

In July 2024, Bernd-Peter Bier (Bayer AG) and Dieter Gahlen (Deutscher Genossenschafts- und Raiffeisenverband e. V./National Association of German Cooperative Banks) were elected to the Administrative Board for the remaining two-year term of office. Stefan Schnell (BASF SE) and Dr Eckhard Ott (DGRV – Deutscher Genossenschafts- und Raiffeisenverband e. V./National Association of German Cooperative Banks) left the Administrative Board.

I would like to express my sincere thanks to the former Board members for their commitment and many years of dedication and, at the same time, I am looking forward to working with the new representatives on this key ASCG body.

There were also changes on the two technical committees. Dr Stefan Wich (Merck KGaA) left the Financial Reporting Technical Committee effective 30 April 2024. Peter Thilo Hasler (Sphene Capital GmbH) was appointed to this technical committee on 1 August 2024 with the profile 'Users of reporting data'. Additionally, the term of office of Prof. Dr Brigitte Eierle (University of Bamberg) ended on 30 November 2024. Alexandra Schädler (Hans Böckler Foundation), with the profile 'Users of report data', was appointed to the Sustainability Reporting Technical Committee effective 1 August 2024 as the successor to her colleague Dr Oliver Emons.

Effective 1 December 2024, the Administrative Board also prolonged the membership of Marco Ebel (Siemens AG) and Jens Berger (Deloitte GmbH) on the Financial Reporting Technical Committee for a further five years in the areas of 'Preparation of annual and consolidated financial statements by publicly traded industrial and commercial entities' and 'Audit of annual and consolidated financial statements', respectively. Nicolette Behncke (PricewaterhouseCoopers GmbH), Carsten Beisheim (Kanzlei Graf von Westphalen) and Noura Rhemouga (Hochwald Foods GmbH) were also re-elected to the Sustainability Reporting Technical Committee for a four-year term with the profiles 'Audit of sustainability reports' and 'Preparation of sustainability reports and strategic sustainability management at non-publicly-traded entities'.

I would also like to take this opportunity to thank the members of our technical committees and working groups for their successful work, and look forward to the consistently informed discussions during the challenging deliberations.

My special thanks also go to the ASCG's Executive Committee and staff. Their commitment is the primary driving force behind the ASCG's successful, pioneering work. I would therefore like to express my thanks, including on behalf of the entire Administrative Board, to Mr Lanfermann and Mr Morich and the staff of the ASCG for their constructive cooperation and commitment.
I would like to wish you continued success in fulfilling the many tasks of the ASCG!

The ASCG's Administrative Board and secretariat will continue to act on your behalf and address the emerging challenges in the economic and political environment, and drive forward financial and sustainability reporting in equal measure. In future, we will continue to support the further development of globally standardised reporting requirements in keeping with our guiding principles, involve stakeholder interests in the dialogue process and, at the same time, emphasise the proportionality of reporting obligations and company size.

Sincerely,

Marco Swoboda
Chairman of the Administrative Board

Dear ASCG members and corporate reporting stakeholders,

2024 was another eventful, busy year for the ASCG. It has become clear that a strong German voice in corporate reporting as well as a mindset focused on practice-driven implementation support provided by the German standard-setter are particularly important for the German economy. Last year, the initial reports on the European sustainability requirements for the first wave of companies, meaning around 550 German entities, were due. There was also a lot of movement in the field of financial reporting. With its many formats, the ASCG saw itself as a source of support here and fulfilled this role both actively and proactively. You can see this in the ASCG's internal Preparer Forums, as well as in the large number of conferences and online events that the ASCG organised last year with the aim of staying close to what is happening in the business world and to the regulatory and social dialogue. This is reflected in the concept pages at the front of this year's Annual Report, and also in many other places.

Reducing bureaucracy is the order of the day; work on the Omnibus proposal is picking up speed

At the same time, it became clear over the course of 2024 that policymakers and business are focusing to a greater extent on economic competitiveness in the face of geopolitical changes. There had also been growth initiatives under the previous 'traffic light' coalition government, but following the European elections, the new European Commission headed by Commission President von der Leyen readjusted its priorities, particularly in the European sphere. According to the Draghi report published in autumn 2024, competitiveness is expected to be coupled in particular with reduced sustainability reporting requirements. The EU heads of state and government formulated a corresponding requirement in the November 2024 Budapest Declaration, and European Commission President von der Leyen announced a legislative 'Omnibus' initiative to increase competitiveness within 100 days. The European Commission presented legislative proposals to revise the Corporate Sustainability Reporting Directive (CSRD) at the end of February 2025. The ASCG also participated in this discussion. The Administrative Board's Strategy Working Group drafted five proposals to simplify CSRD reporting, taking into account the results of the discussions of the ASCG's Joint Technical Committee. The proposals ranged from reducing the burden on SMEs by making reporting requirements proportional to their size, to aligning reporting requirements more consistently with international standards. The main thrust of our proposals was also reflected in the legislative drafts presented by the Commission.

▲ **Prof. Dr Sven Morich** (left)
Georg Lanfermann (right)
Executive Committee

ASCG supports best practice in implementing European sustainability reporting and ensures clarity at a time when CSRD transposition into the German law is lacking

In particular the companies in the first cohort launched their initial reporting in 2024 in the course of comprehensive, complex implementation projects, with the aim of reporting in accordance with the underlying European Sustainability Reporting Standards (ESRS) at the beginning of 2025. The ASCG provided extensive support for the implementation process. A survey of the DAX 40 companies in the second quarter of 2024 on the status of materiality assessments at these companies was also particularly important in this context. Inspired by corporate practice, the ASCG provided an overview of the current implementation situation that offered valuable guidance to companies currently subject to reporting requirements in light of the ongoing uncertainties regarding interpretation. The dialogue between the companies and their auditors was also a particular concern, as the interpretation uncertainties also gave rise to tensions.

The collapse of the 'traffic light' coalition in November 2024 and the announcement of new elections made it virtually impossible to transpose the CSRD on time, and the ASCG acted in good time with the necessary urgency to address doubts about the interaction of the new ESRS requirements with the existing legal framework by means of its briefing paper. In practice, the implementation projects at the companies concerned were already far too advanced to change course at this stage. In addition to an overview of relevant initiatives by other institutions, the ASCG also provided further clarity regarding application of the GAS 20 management reporting principles by issuing specific implementation guidance (IG 5) in early 2025.

EFRAG in the spotlight during the revision of ESRS Set 1

To the disappointment of the companies in the first cohort, the European Commission's Omnibus proposals at the end of February 2025 did not yet contain any concrete proposals to ease the burden of ESRS reporting obligations. This required a fundamental reorientation of the work by EFRAG, which the ASCG also expressly called for. The European Commission issued a corresponding mandate to EFRAG in April 2025, triggering a far-reaching discussion on how they should be structured. The ASCG reached out to the companies at an early stage and compiled facts on reporting by the first cohort through a continuously updated evaluation study. Current findings from implementation practice were collected in Preparer Forums. In March 2025, the Sustainability Reporting Technical Committee used the findings gathered by ASCG staff to submit ten conceptual proposals for the revision of ESRS Set 1 to the European Commission and EFRAG to support them in developing their own approach. These are designed to offer practical expedients tailored to the needs of reporting practice. EFRAG is now tasked with completing its work by the end of October 2025 and submitting its findings to the European Commission for the purpose of amending the relevant delegated regulations on ESRS Set 1. The ASCG will closely monitor this development over the coming months and comment on it with a view to effectively reducing the reporting burden on companies.

ASCG as a strong voice in the IASB's standard-setting projects

The ASCG was very active in 2024 when it came to pending revisions to IFRSs. A total of eight exposure drafts were published for consultation by the IASB during the year, which meant a great deal of work for everyone involved. The ASCG submitted comment letters on all of these exposure drafts. These related, for example, to proposals for amendments to IAS 32 on financial instruments with characteristics of equity, proposals on goodwill and impairment, disclosure requirements in the context of business combinations, and amendments to IAS 37 on the recognition and measurement of provisions. All of these comments were flanked by public discussion events organised by the ASCG, to which we regularly invited our standard-setting colleagues from Austria and Switzerland as well as EFRAG and the IASB.

Other amendments issued for consultation and commented on included IAS 21, IAS 28 and IFRS 19. In addition, the IASB issued for consultation an exposure draft with illustrative examples of how to report on climate-related and other uncertainties in the financial statements. We were quite critical of some of these, as the proposals tend to result in greater disclosure requirements.

Within the space of one year, the IASB also proposed and adopted amendments to the accounting for power purchase agreements. This issue was raised in Germany two years ago and quickly led to lively discussions. Its importance and urgency prompted the IASB to draw up corresponding proposals and now final clarifications in a relatively short space of time. The result appears to be appropriate and practical. The ASCG's advocacy in this matter has therefore paid off.

In addition to finalising individual projects such as the amendments to IFRS 9 on the classification and measurement of financial instruments, the post-implementation review of the same standard with regard to impairment requirements and Annual Improvements to IFRSs (Volume 11), the IASB also published two completely new standards in 2024: IFRS 18 governs presentation and disclosures in IFRSs as a whole and will in future replace IAS 1. IFRS 19 was developed to define for the first time reduced disclosure requirements for entities without public accountability. We will closely track the pending EU endorsements for these projects. Due to the high practical relevance of IFRS 18, the ASCG established a Preparer Forum on this standard for its members at a very early stage. This has met regularly several times a year since its launch in October 2024 and will promote the exchange of practical experience in implementing the new standard.

We are also expecting the level of activity at the IASB to remain high in 2025. For example, the IASB launched new projects, including a research project to review and improve the requirements for the statement of cash flows and a project to review the requirements of IFRS 9 on the measurement of financial instruments at amortised cost. In addition, IFRS 20, a standard for rate-regulated activities, is set to be published.

A wide range of accounting activities, including at national level

Our evaluation of the application of IFRSs in Germany reached an important milestone with the completion of Phase 2, and delivered exciting insights. More than 800 company representatives took part in the online survey, and we were able to present the initial results to the public at a joint event with the Association of German Banks (BdB) and the Federation of German Industries (BDI) in December 2024.

Our survey reveals that a user-driven, differentiated approach is necessary, as IFRSs are not equally relevant, suitable and appropriate for all entities in Germany. Based on the findings of the survey, the ASCG's bodies have therefore come out in favour of a conditional option for a limited group of entities. To this end, we will conduct corresponding case studies with entities to formulate appropriate use cases for the practical application of IFRSs.

As international accounting is becoming increasingly relevant as a tax assessment basis, and the relevance of simplified standards when using IFRSs for subsidiaries is set to grow in future, we are also observing considerations to reduce the complexity of accounting in other countries. The ASCG will contribute its strong German voice to these national and international discussions. We hope that our evaluation will make a contribution to effective and efficient financial reporting and provide incentives for reducing the burden on German entities.

As part of the transposition of the Minimum Taxation Directive into German commercial law, we developed an amendment standard last year in the form of GAAS 14. Our 'Tax' Working Group and the Financial Reporting Technical Committee focused closely on the amendments to the German Commercial Code and the consequences for GAS 18, as well as other unresolved issues since the Minimum Taxation Directive Implementation Act came into force. In addition, the Working Group developed suggestions for amendments to the text of the legislation that are relevant for accounting, or as a minimum in the form of a BMF circular.

This shows that all aspects of the ASCG's work continue to be highly relevant to corporate practice. New guiding principles, such as the specific measures to reduce bureaucracy – whether in sustainability reporting or in the area of financial reporting – are increasing interest in our activities across the wider German corporate sector, as well as beyond, whenever they affect issues of concern to society as a whole. In times of regulatory uncertainty, it still holds true that your own commitment to the German standard-setter is worthwhile!

Sincerely,

Georg Lanfermann
President

Sven Morich
Vice-President

In cooperation with: University of Hamburg // Sustainable Finance Research Platform // Sustainable Finance Research Group

HAMBURG SUSTAINABILITY REPORTING FORUM

DEEP DIVE WITH ADDED VALUE

Implementation and further development of ESRS.

The Forum focused on the roots of the CSRD and ESRS in EU law and practical implementation issues in this context. It offered around 150 participants deeper insights and a lively discussion of current challenges and solutions.

In cooperation with: German Chamber of Industry and Commerce // Federation of German Industries // econsense // EY GmbH & Co. KG

SUSTAINABILITY REPORTING EVENTS

A FAST-PACED FLOW OF KNOWLEDGE

4x in 2024: Information on the ministerial draft of an Act to Transpose the CSRD into German law // Two expert workshops on the interoperability of ESRS and IFRS SDS // Spotlight on sustainability reporting – exchange of initial experience with the implementation of ESRS.

The dynamic pace of change in the field of sustainability reporting calls for swift, agile action. The ASCG provides various formats to inform stakeholders about relevant topics and details and to promote dialogue on practical aspects.

In cooperation with: IFRS Foundation // Goethe University Frankfurt // Leibniz Institute for Financial Market Research SAFE

SUSTAINABILITY
STANDARDS CONFERENCE

DISCUSSING THE FUTURE

Presentation of topics related to the ISSB's current standard-setting activities and discussion from a practical and academic perspective.

The first Sustainability Standards Conference brought together over 500 participants, with 160 of them attending in person, from the fields of business, academia, standard-setting and government. The conference addressed the ISSB's current and future standard-setting activities and marked the launch of a series of annual conferences organised under a Memorandum of Understanding between the ISSB and Goethe University.

In cooperation with: Association of German Banks // Federation of German Industries

IFRS EVALUATION EVENTS

KALEIDOSCOPE OF PERSPECTIVES

2x in 2024: Presentation of the motivation, background, objectives and general structure of the study // Presentation of the results of the survey and panel discussion.

The study aims to objectively record the various stakeholder perspectives on the application of IFRSs in Germany. It addresses both the current situation (i.e. based on the law as it stands) and the potential optional application of IFRSs in single-entity financial statements (i.e. based on potential future legislation).

In cooperation with: EFRAG // XBRL Germany

OUTREACH EVENTS
ON EFRAG DRAFTS

TRANSPARENCY ADDS VALUE

3x in 2024: Two events on the EFRAG consultation of the XBRL taxonomies for Set 1 of ESRS // Discussion and assessment of the EFRAG drafts ESRS LSME and ESRS VSME.

The outreach events that the ASCG organises jointly with EFRAG on its consultation drafts serve on the one hand to familiarise stakeholders with the key content of the relevant EFRAG drafts, and on the other to gather and discuss the perspectives and opinions of the participants.

In cooperation with: EFRAG / IASB

OUTREACH EVENTS ON IASB EXPOSURE DRAFTS

PIT STOP WITH SPECIALISTS

3x in 2024: IASB/ED/2024/1 Business Combinations—Disclosures, Goodwill and Impairment // IASB/ED/2024/3 Contracts for Renewable Energy // IASB/ED/2023/5 Financial Instruments with Characteristics of Equity.

The outreach events aim to actively gather feedback and opinions from company representatives, auditors and users on the relevant IASB exposure drafts as well as on the tentative positions of the standard-setters involved, and to discuss them together.

PREPARER FORUMS

ADDED VALUE FOR INSIDERS

10x in 2024: 1x Introduction of IFRS 18 // 2x ESEF electronic financial reporting // 7x Introduction of ESRS.

Preparer forums are a platform for exchanging ideas on various topics related to corporate reporting and are open exclusively to ASCG member companies and associations. They offer valuable insights into current developments in the relevant project and facilitate active dialogue between participants on implementation issues.





Hamburger Forum der Nachhaltigkeitsberichterstattung 2024
Implementierung und Weiterentwicklung der ESRS
15. November 2024

BDI
econsense
EY
Gesetz zur CSRD-Umsetzung in Deutschland



IFRS
Sustainability







I. Financial Reporting

In accordance with our Articles of Association, one of our core objectives is promoting the continued development of accounting and financial reporting. As the national standard-setter, the ASCG is recognised by the German federal government, acts as an expert advisor on planned legislation at national and EU level and represents the interests of German industry as a whole on the global stage. This includes representing the Federal Republic of Germany on international standard-setting bodies.

Our duties are set forth in section 342q(1) nos. 1 to 4 of the HGB. In addition to the tasks mentioned above, these duties also include developing recommendations on the application of German proper accounting principles for consolidated financial reporting (German Accounting Standards – GASs), and elaborating interpretations of international financial reporting standards. As well as issuing GASs and interpretations, the technical committees may also issue other pronouncements on specific issues relating to national and international financial reporting, such as implementation guidance.

As Germany's representative on international standard-setting bodies, we work with the organisations and bodies concerned at all levels. This includes cooperating with the IASB and the IFRS Interpretations Committee, the European Commission, the European Supervisory Authorities, EFRAG, the national standard-setters in other countries, and other international, European and national institutions that are active in the field of corporate reporting.

As advisor, we work closely with the Federal Ministry of Justice and – for accounting-related issues in tax law – with the Federal Ministry of Finance.

The focal points of our financial reporting work are determined by our Financial Reporting Technical Committee.

In addition, the ASCG's Executive Committee and staff contribute directly to the committee work and working groups of other organisations. They also participate in a wide variety of national and international conferences and panel discussions, as well as publishing specialist papers and articles.

In this section, we report on our major projects and activities in the past year in the area of financial reporting.

THE ASCG'S OWN STANDARD-SETTING AND OTHER PROJECTS

In the context of our standard-setting and advisory duties in accordance with section 342q(1) nos. 1 and 2 of the HGB, the following three significant projects, which we report on in the following pages, should be highlighted:

- Amendment to GAS 18 to reflect the amendments to the HGB from the Act implementing Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation and other accompanying measures (MinBestRL-UmsG),
- The accounting for statutory tax allocations in accordance with section 3(6) of the Minimum Tax Act (MinStG),
- Evaluation of the application of IFRSs in Germany.

▲▲ Peter Thilo Hasler
▲ Dr Patrick Bosch

The involvement and activities of the 'Tax' working group and the Joint Technical Committee in connection with minimum taxation issues should also be mentioned. There were several developments in this area last year, which we explain in greater detail in Chapter III.

GAAS 14: Amendment of GAS 18 in light of the MinBestRL-UmsG

The changes to the requirements of the HGB for accounting for deferred taxes resulting from the Minimum Taxation Directive Implementation Act (MinBestRL-UmsG) required an amendment to GAS 18. On the one hand, a mandatory exemption from accounting for deferred taxes resulting from the application of minimum tax acts was introduced for German GAAP consolidated financial statements (sections 274(3) in conjunction with 298(1) and 306 sentence 5 of the HGB). On the other, new disclosure requirements were created for the notes to the consolidated financial statements (section 314(1) no. 22a of the HGB).

GAS 18 was amended by German Accounting Amendment Standard No 14 (GAAS 14), which was adopted by the ASCG on 28 May 2024 and announced shortly before the end of the year in the official section of the Federal Gazette by the Federal Ministry of Justice in accordance with section 342q(2) of the HGB. The corresponding draft D-GAAS 14, which was developed by the 'Tax' working group, was published at the end of February, with a comment period running until 12 April 2024. The 'Tax' working group and the Financial Reporting Technical Committee discussed and assessed the comments received on D-GAAS 14 in detail. Meeting document 28_04a on the 28th meeting of the Financial Reporting Technical Committee on 16 May 2024 contains a detailed evaluation of the comments.

In addition to aligning GAS 18 with the amended statutory requirements, GAAS 14 contains a recommendation – over and above the explicit wording of the law – that explanations should be provided regarding the expected effects of the application of minimum tax laws even if they are not yet effective, although they have already been enacted. This recommendation is substantiated in detail in the Standard. A number of editorial amendments to the Standard were also made. Finally, the Standard was renamed 'Deferred Taxes in Consolidated Financial Statements'.

ASCG study on the evaluation of the application of IFRSs in Germany

We made strong progress in 2024 with our proactive study on the evaluation of the application of IFRSs in Germany. The study aims to systematically survey the acceptance and application of IFRSs as a financial reporting framework in Germany. Based on the nature and extent of the current application of IFRSs, the study incorporates various stakeholder perspectives and takes into account the conceptual interactions with the diverse functions of financial reporting in Germany. As well as examining the current situation, based on the law as it stands, the study also addresses the application of IFRSs based on future legislation. For this purpose, an empirical analysis of the motives for the voluntary application of IFRSs and the opportunities and limitations of the exempting application in separate financial statements is being conducted. The focus is on a practice-driven cost-benefit analysis and on conceptual challenges of applying IFRS in separate financial statements.

The evaluation is divided into several phases. The first phase began in March 2023 with semi-structured stakeholder interviews to identify topics and priorities in line with the objective. The results of the first phase were presented at a panel discussion on 21 March 2024 and summarised in a feedback statement.

This was followed by phase 2 of the study, which was used, on the one hand, to ascertain the level of interest in an unconditional or conditional exempting option for the application of IFRSs in separate financial statements. On the other hand, the conditions or circumstances under which such an option would be possible for the entities were analysed, as the final assessment of the added value of such an option would probably depend on the reporting requirements that would actually no longer apply in this context or would have to be continued, in particular for the purposes of taxation and the calculation of dividend distributions.

A structured catalogue of questions was developed based on the topics identified in the group interviews in phase 1. One focus here was to empirically analyse the specific benefits of a conditional exempting option for an application of IFRSs in separate financial statements for different types and sizes of companies.

On 22 March 2024, data collection for phase 2 of the IFRS evaluation began with the launch of an online survey. A wide range of communication formats and channels, as well as social media, were used to achieve the highest possible response rate to the survey and to obtain a broad and representative sample of opinions. For example, a stratified random sample of companies of all size categories was specifically targeted. At the same time, the ASCG also invited external stakeholders to participate. Due to the high number of responses, the originally planned deadline of 30 June 2024 for feedback was extended to 31 October 2024.

By the end of the survey on 31 October 2024, a total of 1,243 responses had been received, 827 of which could be used to analyse the results.

Following an in-depth analysis of the feedback, the ASCG presented the results of the survey of companies at an event held jointly with the Association of German Banks (BdB) and the Federation of German Industries (BDI) on 9 December 2024.

The event was held at the BDI's 'Haus der Deutschen Wirtschaft' in Berlin and was also livestreamed. Representatives from the worlds of politics, business and academia attended the hybrid event. Dr Monika Wünnemann (BDI) and Michaela Zattler (BdB) opened the event, before ASCG Vice President Prof. Dr Sven Morich presented the results of the survey.

This was followed by a panel discussion. The following company and association representatives appeared on the panel: Dr Marco Ebel (Siemens AG), Stefanie Morfeld-Wahle (Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V./ National Association of German Cooperative Banks), Dr Stephan Rohleder (Zalando SE) and Andrea Schriber (Deutsche Bank AG). The panellists began by commenting on the results of the survey. This was followed by a discussion of the various arguments, motives and perspectives on the potential introduction of an exempting option to apply IFRSs in separate financial statements, based on hypothetical future legislation.

In addition to this event, first results of the preparer survey were published in a summary report on 11 December 2024. The summary report is also available in English.

To summarise, the responses received show that, in line with the stakeholder interviews, the companies in the sample that prepare their financial statements in accordance with IFRS ('IFRS adopters') and many publicly-traded companies in particular are open to the use of IFRSs in their separate financial statements.

It is also becoming clear that the lack of an exempting effect of separate financial statements prepared under IFRSs and the need to prepare German GAAP annual financial statements as a basis for assessing corporate taxes and dividend distributions are currently preventing those companies that are open to voluntary preparation from actually doing so.

Those companies in the sample that prepare their financial statements exclusively in accordance with German GAAP ('HGB preparers'), are not publicly traded or are as single entities not included in consolidated financial statements, and are, for the most part, not considering applying IFRSs in their separate financial statements. There are various reasons why these companies are opposed to the application of IFRS.

Nevertheless, there are different views on the question of how an option should be implemented. Almost half of the participating companies that do not themselves want to apply IFRSs were nevertheless not opposed to the introduction of an option for the separate financial statements (whether unconditional or conditional). A separately discussed aspect in this context is the fear of a 'de facto compulsion' triggered by the user side to prepare separate IFRS financial statements if there is an unconditional option. This fear is more pronounced among German GAAP preparers than among IFRS adopters.

The most important finding is that, across all categories, there is no clear general majority in favour of an unconditional option to prepare exempting separate IFRS financial statements, but nor is there a clear general majority in favour of maintaining the status quo across all types of companies. The picture emerging from the survey indicates that the introduction of a conditional option, i.e. an unconditional option for a limited set of companies, could represent a useful further development. This solution would allow a clearly defined group of companies to decide for themselves whether or not to prepare separate IFRS financial statements, while other companies would continue to prepare German GAAP financial statements.

Based on these findings, the ASCG's Administrative Board decided that the ASCG should actively advocate the introduction of a conditional IFRS option, i.e. an unconditional option for a limited group of companies.

With this in mind, the next step will be to discuss how the scope of the conditional option should be clearly defined. In addition, a case study in collaboration with companies will be used to develop an example illustrating the extent to which and, if applicable, under what accompanying conditions, an improvement in the balance of costs and benefits of financial reporting can be achieved in practice by introducing a conditional option for the exempting application of IFRSs in separate financial statements.

In addition, every effort will be made to publish a detailed final report on Phase 2. In a potential further step in the study, the perspectives of additional stakeholders (e.g. users and auditors of annual financial statement information) could be obtained in the future.

▲▲ Erika Bognár
▲ Dr Michael Seifert

Accounting for allocations/refunds in accordance with section 3(6) of the MinStG in German GAAP (subgroup) consolidated financial statements

At its 28th meeting on 16 May 2024, the Financial Reporting Technical Committee tasked the ‘Tax’ working group with addressing the issue of accounting for tax allocations within the meaning of section 3(6) of the MinStG.

Specifically, section 3(6) sentence 1 of the MinStG requires domestic constituent entities whose top-up tax amounts are allocated to the group head to compensate the group head for the minimum tax attributable to them in accordance with the MinStG. In the event of minimum tax refunds, section 3(6) sentence 2 of the MinStG in turn requires the group head to compensate the constituent entities for the refund amounts attributable to them in accordance with the MinStG. Furthermore, in accordance with section 3(5) of the MinStG, constituent entities whose amounts of top-up tax are allocated to the group head in accordance with section 3(1) sentence 2 of the MinStG are jointly and severally liable for its minimum tax, meaning that there is statutory joint and several liability in this respect. In light of these legal requirements, the questions arose of

- how any expense/income from application of the MinStG should be measured and recognised in German GAAP (subgroup) consolidated financial statements, and
- what the consequences these requirements have for the disclosures in the notes in accordance with section 314(1) no. 22a of the HGB.

The ‘Tax’ working group discussed these questions in detail and documented the results of the discussions in a position paper. The Financial Reporting Technical Committee discussed the content of the paper at its 35th meeting on 13 December 2024 and approved it. This paper can be summarised as follows:

If only the effects on domestic constituent entities and domestic group heads are considered, the requirements of net accounting are met because of the statutory allocation/reimbursement requirements in conjunction with the statutory joint and several liability in the German GAAP annual financial statements/subgroup financial statements of the constituent entities concerned. This means that each constituent entity only reports the (constructive) minimum tax expense or income attributable to it and the corresponding claims and obligations. A constituent entity is only required to provide disclosures in the notes to the (consolidated) financial statements if it is constructively, i.e. actually subject to minimum tax. These considerations apply, with the necessary modifications, if there are tax allocations relating to local top-up taxes (qualifying domestic minimum top-up tax, QDMTT) abroad.

The final document was published on 17 February 2025 together with the report on results of the 35th meeting of the Financial Reporting Technical Committee as a position paper of the ‘Tax’ working group with the title *Accounting for allocations/refunds in accordance with section 3(6) of the MinStG in German GAAP (subgroup) consolidated financial statements*.

Minimum Tax Adjustment Act

The Act implementing Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation and other accompanying measures (MinBestRL-UmsG), which was promulgated at the end of 2023, introduced the Act ensuring a global minimum of taxation for groups of companies (Minimum Tax Act – MinStG) and therefore implemented global minimum taxation in Germany.

In March 2024, we sent a letter to the BMF pointing out some (mainly accounting-related) aspects of the MinStG where we considered either an amendment to the text of the law or clarification in a future BMF circular to be necessary. In addition, the ASCG and the ‘Tax’ working group are in close regular dialogue with representatives of the BMF regarding potential or proposed amendments to the MinStG or clarifications in future BMF circulars. In line with the ASCG’s mandate, we are focusing primarily on accounting-related issues and cross-cutting issues between financial accounting and tax law.

The OECD published two new administrative guidance documents in December 2023 and June 2024. In addition to the already necessary clarifications and amendments to the MinStG, this new administrative guidance also required a corresponding amendment to the law.

▲▲ Dr Jan Techert, BMJ
▲ Prof. Dr Corinna Ewelt-Knauer

On 20 August 2024, the BMF published the first discussion draft of an Act adjusting the Minimum Tax Act and other measures (Minimum Tax Adjustment Act – MinStAnpG). This draft primarily envisaged implementing the OECD December 2023 administrative guidance (clarifications for the application of the CbCR Safe Harbour). In addition, the provision on the capitalisation option under section 274 of the HGB was reflected in the minimum taxation system (amendments to section 50(1) no. 3 of the MinStG), which we had suggested in our above-mentioned letter and in bilateral discussions with the BMF. However, it was not possible to initiate the legislative process in 2024 due to the collapse of the 'Traffic Light' coalition government.

The BMF published the second, revised discussion draft on 6 December 2024. As well as the proposals in the first draft, this contains, in particular, more specific information on the recapture of deferred tax liabilities (implementation of the OECD's June 2024 administrative guidance). In addition, the second discussion draft provides for a large number of further editorial and substantive changes, as well as some administrative simplifications.

The ASCG submitted its comment letter on the discussion draft of the MinStAnpG to the BMF on 14 October. The comment letter focuses on the proposed amendments to sections 50(1) no. 3 and 82(1) sentence 6 of the MinStG relating to the capitalisation option under section 274(1) sentence 2 of the HGB. In addition to the comments on the proposed wording of the amendments, we expressly advocate in our comment letter that the amendment to section 50(1) no. 3 MinStG should already be implemented in 2024 (and not in 2025) as part of an appropriate legislative initiative. We reiterated this in a supplement to this comment letter dated 25 October.

On 31 January 2025, we submitted a detailed comment letter on the second discussion draft to the BMF that had been prepared by the 'Tax' working group. In addition to the comments on the above-mentioned issue of the capitalisation option in accordance with section 274(1) sentence 2 of the HGB, which we took over word-for-word from our comment letter on the first discussion draft, we commented on the following accounting-related topics:

- Art. 1 no. 20 of the discussion draft on the MinStAnpG (amendment to section 87 of the MinStG): data to be used for determining the pre-tax profit or loss to be applied in the CbCR Safe Harbour;
- Art. 1 no. 7 of the discussion draft on the MinStAnpG (insertion of section 50a of the MinStG): recapture rules for deferred tax liabilities.

The MinStG has already been effective for more than a year. However, numerous questions of detail are still unresolved and are causing great uncertainty among the companies affected. Our 'Tax' working group will continue to closely address the accounting-related requirements of the MinStG this year and exchange opinions with the BMF on topics that require discussion.

EFFECTIVE GASs, ASCG INTERPRETATIONS AND ASCG IMPLEMENTATION GUIDANCE

German Accounting Standards

GAS 13	Consistency Principle and Correction of Errors
GAS 16	Half-yearly Financial Reporting
GAS 17 (amended 2010)	Reporting on the Remuneration of Members of Governing Bodies
GAS 18	Deferred Taxes in the Consolidated Financial Statements
GAS 19	Duty to Prepare Consolidated Financial Statements, Basis of Consolidation
GAS 20	Group Management Report
GAS 21	Cash Flow Statements
GAS 22	Group Equity
GAS 23	Accounting for Subsidiaries in Consolidated Financial Statements
GAS 24	Intangible Assets in Consolidated Financial Statements
GAS 25	Foreign Currency Translation in Consolidated Financial Statements
GAS 26	Associates
GAS 27	Proportionate Consolidation
GAS 28	Segment Reporting

ASCG Interpretations (IFRS)

ASCG Interpretation 2 (IFRS)	Obligation to Dispose of Electrical and Electronic Equipment
ASCG Interpretation 3 (IFRS)	Interpretation Issues relating to Puttable Financial Instruments in Accordance with IAS 32
ASCG Interpretation 4 (IFRS)	Accounting for Interest and Penalties Related to Income Taxes under IFRSs

ASCG Implementation Guidance

ASCG IG 1 (IFRS)	Specific Issues Relating to Accounting for Partial Retirement Arrangements in Accordance with IFRSs
ASCG IG 2 (IFRS)	Accounting for Costs of Registration in Accordance with the EU REACH Regulation
ASCG IG 3 (IFRS)	Selected IFRS Accounting Issues with a Particular Relevance to Macroeconomic and Entity-specific Crisis Situations
ASCG IG 4 (IFRS)	Equity-settled Share-based Payments with Net Settlement Features: Accounting for Cash Compensation
ASCG IG 5 (GAS)	Consolidated Non-Financial Statement in accordance with ESRS

COLLABORATION WITH EFRAG

At European level, EFRAG in particular provides an excellent platform for us to contribute to the discussion on the development of corporate reporting. As a member organisation, the ASCG contributes to EFRAG's decisions not only at a technical level in the committees, but also at the level of company law as a governing body member.

The ASCG's role in its collaboration with EFRAG is to unite and represent the interests of German industry on the European stage. Within EFRAG's financial reporting pillar, the ASCG is represented on the Financial Reporting Board (EFRAG FR Board), which is the ultimate decision-making body, by its Vice-President, Prof. Dr Sven Morich. He was appointed by the EFRAG General Assembly in April 2024 for a further term of office starting on 1 May 2024. ASCG Project Manager Dr Ilka Canitz was appointed to the German Country Liaison position in the Financial Reporting Technical Experts Group (FR TEG) in June 2021; her current period of office ends on 30 November 2026. In this role, which is reserved for the major standard-setters from Germany, France and Italy, we represent Germany's perspective in the general economic interest of our constituents.

We also maintain a close dialogue with the other German EFRAG FR TEG members, Jens Berger (Deloitte GmbH, who is also a member of the Financial Reporting Technical Committee and, since 1 April 2022, Deputy Chair and, up to autumn 2023, Acting Chair of the EFRAG FR TEG) and Christoph Schauerte (Vonovia SE), who have both been members of the EFRAG FR TEG since the beginning of 2020. In early 2024, both members were re-appointed for further two-year terms beginning on 1 April 2024.

Finally, we maintain close contact with Wolf Klinz, who was elected Chair of the EFRAG FR Board by the EFRAG General Assembly on 15 November 2022.

In addition to directly participating in the EFRAG bodies, our own committees, particularly the Financial Reporting Technical Committee, also address the issues on the EFRAG FR Board and EFRAG FR TEG agendas on an ongoing basis. The Technical Committee draws on the expertise of our working groups (in 2024, the 'Intangible Assets', 'Group Management Report' and 'Tax' Working Groups in particular) for this. Among other things, this work provides technical support to staff members in the performance of their activities on the EFRAG bodies. Depending on the situation, the Financial Reporting Technical Committee itself directly submits comments to EFRAG during more extensive consultations, such as broader-based draft comment letters to the IASB, endorsement advice letters to the European Commission and proactive consultation and position papers.

We also regularly comment on draft EFRAG recommendations to the European Commission regarding the endorsement/non-endorsement of the relevant IFRS requirements into European law (draft endorsement advice).

Two IFRS amendments were endorsed in 2024, for each of which EFRAG published recommendations for unqualified endorsement:

- Supplier Finance Arrangements (Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*) and
- Lack of Exchangeability (Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*).

In the area of financial reporting, our collaboration with EFRAG in 2024 was largely dominated by our involvement in the IASB's standard-setting activities. We also commented on the draft due process procedures for EFRAG's activities in the field of financial reporting. We provide more detailed explanations in the following.

Please refer to section II for information on our cooperation with EFRAG with regard to sustainability reporting.

EFRAG's due process procedures for financial reporting

After EFRAG adopted its due process procedures for sustainability reporting in March 2023, a consultation on due process procedures in the area of financial reporting followed in 2024 (*Due Process Procedures for the EFRAG Financial Reporting Activities*). The aim is to formalise and define in more detail the procedures that had previously been set out in EFRAG's Internal Rules.

The draft proposes a strict, transparent procedure. Among other things, it defines mandatory steps that must be followed in EFRAG's standard-setting activities. The mandatory steps include a thorough and effective public consultation and the publication of a subsequent feedback statement.

During the consultation, EFRAG was particularly interested in finding out whether the draft meets the needs of stakeholders and is sufficiently clear and comprehensive. In terms of content, the consultation periods set out in the draft are also addressed separately, with EFRAG proposing a minimum period of 30 days for the submission of comment letters in the course of the public consultation. The consultation questions also deal specifically with the proposed handling of comments that are received late. It is clear from the draft that EFRAG is endeavouring to incorporate comments received late as comprehensively as possible.

We welcome and support EFRAG's efforts to formalise the due process for financial reporting and participated in the consultation with a comment letter, in which we made clear that, in our view, the draft generally meets the expectations of stakeholders and that, in principle, we also support the proposals listed separately.

At the same time, we made suggestions that would refine the proposed procedures. These include combining the due process procedures for financial reporting with those for sustainability reporting and clarifying certain elements, such as the objective in Chapter 1 of the draft, the design of the accelerated due process and the requirements for the confidential treatment of comment letters received.

The consultation period ended on 31 December 2024, which means that the due process procedures are expected to be adopted in 2025.

COOPERATION WITH THE IFRS FOUNDATION

Cooperation with the IFRS Foundation committees and bodies was one of the mainstays of our work last year.

Regular contact with the IASB and its staff allows us to find out about and keep up-to-date on each other's activities, as well as current developments, trends and challenges.

We also maintained a constant and in-depth dialogue with the two German members of the IFRS Interpretations Committee, Karsten Ganssauge and Dr Jens Freiberg. They are guests at many of our Technical Committee meetings and enrich our deliberations with their profound knowledge and direct observations from the meetings of the Interpretations Committee.

We should also mention our active involvement in ASAF, the IASB's technical advisory body. We report on this in the next section.

The following pages present the major IASB and IFRS Interpretations Committee projects that we followed closely last year through our deliberations in the Financial Reporting Technical Committee.

▲ Carsten Beisheim

▲▲ Dr Oliver Unger, BMJ
▲ Jens Berger

Membership of the ASAF

The Trustees of the IFRS Foundation announced the ASCG's reappointment to the Accounting Standards Advisory Forum (ASAF) on 28 October 2024. The ASCG has been a member of this key advisory body to the IASB since 2022 (after a break of almost four years), allowing us to contribute the practical experience of the German perspective to the process of developing IFRSs. The next term of office runs from January 2025 to December 2027.

Starting in 2025, the ASAF will consist of a total of 14 national and regional standard-setters in the field of financial reporting, which are each represented by designated individuals. The ASCG is represented in the ASAF by its Vice-President, Prof. Dr Sven Morich.

The ASAF meets four times a year. All meetings are open to the public and can be followed live via webcasts on the IFRS Foundation's website. In its one- or two-day meetings, the ASAF addresses specific issues in connection with the IASB's work plan, but it may also discuss other issues that have major implications for the IASB's work. In addition, the ASAF meetings also offer an opportunity for members to submit their own suggestions for topics.

For us, the ASAF is an important platform for entering into a multilateral exchange of views, not only with the IASB, but also with the other national and regional standard-setting organisations.

Equity method of accounting

The IASB published exposure draft ED/2024/7 *Equity method accounting – IAS 28 Investments in Associates and Joint Ventures* for consultation on 19 September 2024.

The amendments proposed in the exposure draft are intended to assist entities in accounting for their investments in associates and joint ventures by answering application questions that the IASB has received over several years, and to supplement and clarify application of the equity method in accordance with IAS 28. The IASB is also proposing new disclosure requirements. These are intended to improve the information that entities provide on these investments by reducing diversity in practice and providing users of financial statements with more comparable and useful information.

Our Financial Reporting Technical Committee analysed this exposure draft in great detail. To allow us to provide targeted support for the standard-setting process, we also obtained feedback from affected and interested stakeholders in Germany, whose assessments were obtained by means of an invitation to interested parties.

Looking at the proposed amendments as a whole, the Financial Reporting Technical Committee found that the IASB regrettably neglected to fundamentally scrutinise the rationale and usefulness of the equity method. Only a conceptual clarification of the basic principle of the equity method, in the sense of interpreting it as a consolidation or measurement method, would enable a consistent answer to the existing application questions, in the view of the Financial Reporting Technical Committee. The disconnected and, in part, inconsistent answers to the (practically relevant) individual questions appear inadequate and a step in the wrong direction.

If the equity method is to be interpreted as a measurement method, we need a discussion as to whether the equity method is still necessary. The measurement of similar financial assets in accordance with IFRS 9 now offers a more stringent alternative and better informative value, and is also easier for preparers to implement. It would only be necessary to clarify a wide range of individual issues if the equity method were to be understood as a method of consolidation.

In this context, the IASB would also have to discuss whether the existence of significant influence justifies or requires a special status and separate accounting for these investees. Alternatively, the IFRS 9 net income from associates and joint ventures could also be presented separately, for example, to reflect their special character.

In our comment letter, we suggested that the IASB should explicitly ask constituents in its next agenda consultation whether the equity method should be retained and its fundamental principles clarified. It would make sense to make the further development of the current project contingent on the feedback received.

We submitted the corresponding ASCG comment letter to the IASB on 20 January 2025.

Accounting for power purchase agreements under IFRS 9

In December 2024, the IASB adopted amendments to IFRS 9 and IFRS 7 regarding the accounting for power purchase agreements and related disclosures.

The issue was first raised in autumn 2022 and increasingly discussed, particularly in Europe, and then submitted to the IASB and the IFRS IC. This initially related to physical power purchase agreements (PPAs), for which the applicability of the own-use exemption is questionable or not allowed. The reason for this is that the amount of contracted electricity generated from wind and solar power fluctuates naturally and therefore cannot be reliably determined, resulting in temporary or aggregate over- or under-supply between delivery and demand/consumption. Since the electricity cannot be stored, the resulting discrepancy leads to an unintended, forced temporary (partial) sale or purchase.

The discussion arose because, despite the clear purpose of 'own use' and an actual delivery, the conditions for the own-use exemption in IFRS 9 did not appear to be applicable. It was subsequently revealed that purely virtual PPAs, i.e. contracts in which physical delivery is never possible or intended, are occurring in some markets. Although the problem of the disputed applicability of the own-use exemption does not arise in these cases, accounting as a derivative and applying hedge accounting are questionable and were therefore the focus of the discussion.

The IASB has now clarified these aspects. It has clarified that the exemption applies to the above-mentioned contracts provided that specific conditions are met – in particular, nature-dependent electricity generation, that the entity has no ability to influence it, and that the contracts are for partial/excess sales and purchases that are undertaken for temporary balancing purposes only and do not affect the timing or price. Hedge accounting is now also applicable if there is a volume risk and if the designated cash flows are clearly related to the naturally uncertain volume of electricity as the subject of the contract. These amendments are mandatory starting in 2026. Voluntary earlier application is permitted. EU endorsement is currently expected in the middle of the second quarter of 2025.

The ASCG had already become aware of the issue and its discussion in autumn 2022. As a result, the topic was presented to both the Financial Reporting Technical Committee and the ASCG's 'Financial Instruments' working group and duly discussed. As part of the IFRS IC's outreach, the ASCG discussed this topic and gathered initial feedback from stakeholders in Germany. Following that, we regularly informed the affected and interested companies about the progress of the discussion. We also asked these companies to provide us with qualitative and quantitative input regarding the relevance of the contracts under discussion. The feedback we received was incorporated into the discussions in the ASAF.

The Financial Reporting Technical Committee was informed about the IASB's decision at the end of 2023 to initiate a corresponding standardisation project and the specific IASB ideas for potential clarifications in IFRS 9, and has been monitoring these closely. After publication of the IASB exposure draft, the Financial Reporting Technical Committee discussed the proposed amendments in detail and again involved German stakeholders affected or otherwise interested. In response, the ASCG prepared a comment letter that we submitted to the IASB in August 2024.

We are delighted that the involvement of the affected companies and organisations in the consultation, and in particular the rapid response from the IASB, has led to a swift and effective solution to the accounting problem.

Business Combinations—Disclosures, Goodwill and Impairment

In its exposure draft published on 14 March 2024, ED/2024/1 *Business Combinations – Disclosures, Goodwill and Impairment*, the IASB proposed amendments to IFRS 3 Business Combinations that would require entities to report on the objectives and related targets of their strategic business combinations, including whether they are met in subsequent periods. Entities will also be required to provide information on the synergies expected from all strategic business combinations. However, entities would not be obliged to disclose information that could prejudice their targets for the business combination. The IASB is also proposing targeted, related amendments to IAS 36 *Impairment of Assets* to improve the impairment test.

The IASB's proposals build on preliminary views expressed in Discussion Paper DP/2020/1 *Business Combinations – Disclosures, Goodwill and Impairment* and represent a response to stakeholder feedback that reporting on business combinations is difficult for both investors and entities.

We discussed the IASB's exposure draft in detail in the Financial Reporting Technical Committee. The views of the participants in the public discussion that we held on 28 June 2024 with the involvement of the IASB and EFRAG were also taken into account. As the outcome of these deliberations, we submitted our comments on the IASB's exposure draft to the IASB on 15 July 2024.

In our comments, we commended the IASB's efforts to improve the information that entities provide to their investors about their business combinations and to help investors better assess management's decisions.

However, we also noted that the initial objective of the IASB's project was hardly addressed. We think that a fundamental reconsideration of goodwill accounting would have been preferable to resolve the long-standing issues, and reiterated our stance that the reintroduction of goodwill amortisation would have been a more promising alternative.

Details of our views on the IASB's specific proposals can be found in our responses to the individual questions in the exposure draft. We would like to stress our support for the proposals regarding 'Disclosures: Exemption from disclosing information' and 'Changes to the impairment test: Value in use'. We do not support the proposals on 'Changes to the impairment test' to reduce shielding and management over-optimism, as we do not consider them suitable for addressing this original objective of the IASB's project.

After considering the proposals, we are not yet convinced by the details of the proposals on 'Disclosures: Performance of a business combination' and 'Information on expected synergies', as these proposed disclosures are commercially sensitive and could, in our view, lead to a competitive disadvantage for IFRS preparers. With regard to 'Disclosures: Identifying information to be disclosed', we consider the appropriate definition of a strategic business combination to be significantly more important than the determination of the monitoring level, so that only business combinations that the management of the entity itself considers to be strategic are covered by the additional reporting requirements.

Interpretations and Maintenance

The interpretation and maintenance activities of the IFRS IC involve discussing and responding to submissions regarding the application of and uncertainties about IFRSs. The work on such questions and issues either results in agenda decisions, which are issued by the IFRS IC, or in subsequent standard-setting activities, which then lead to a (narrow-scope) amendment to the standard or an interpretation. In addition, the IASB itself raises and discusses issues for which it emerges that an amendment or clarification of the standard is required.

▲▲ Tanja Castor
▲ Prof. Dr Christian Fink

As we do every year, we tracked these activities closely in 2024. Specifically, we addressed all the discussions at all meetings of the IFRS IC, assessed the findings and commented on them in some cases.

The IFRS IC issued five agenda decisions on a variety of issues or standards last year. Specifically, the issues relate to separate Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8), considerations relating to Climate-related Commitments (IAS 37), the accounting for a Merger between a Parent and its Subsidiary in Separate Financial Statements (IAS 27), the recognition of Payments Contingent on Continued Employment during Handover Periods (relates to IFRS 3) and the Presentation of Margin Payments in the Statement of Cash Flows (IAS 7). In the first two cases, the IFRS IC clarified and explained in detail that (and why) the existing relevant IFRS requirements are sufficient to answer the relevant question with adequate clarity. In the remaining three cases, the IFRS IC determined that further consideration was not necessary due to a lack of significant prevalence, materiality or diversity in accounting. It therefore decided in all three cases that no standard-setting was required.

We would again like to mention this year that the IFRS IC's agenda decisions should be regularly tracked and reviewed by reporting entities to determine whether their own financial reporting corresponds with the IFRS IC's view. If this is not the case, entities should ascertain whether their differing approach is justified or needs to be modified. IFRS IC Agenda decisions represent new insights within the meaning of IAS 8 that could lead to a change in accounting policy, but that does not constitute any errors.

Additionally, in the context of standard maintenance, we would like to report that some narrow-scope standard amendments were finalised and published by the IASB in 2024. For example, amendments to several IFRSs were adopted as part of the annual improvements process; these constitute purely editorial amendments. Two amendments were made to IFRS 9: The first of these was Amendments to the Classification and Measurement of Financial Instruments, relating in particular to the application of the 'solely payments of principal and interest' criterion. These are the result of outstanding issues from the IFRS 9 post-implementation review (Part 1). The second amendment added clarifications to the Accounting for Power Purchase Agreements in IFRS 9. Due to the substantial attention that this topic has received and which we, as the ASCG, have played a key role in generating, you will find a separate and more detailed presentation on this issue in this Annual Report. The texts of these finalised changes are not publicly available free of charge, but we have provided detailed information on our ASCG project pages.

We were involved in the IASB's consultations on all topics and – following in-depth discussion in each case – we submitted our findings on the questions raised to the IASB in the form of comment letters. Additionally, through our membership of EFRAG committees, we were also able to discuss all issues at this level. Furthermore, our membership of ASAF means that we are also involved at all times and even more closely in the work and discussions on IFRS amendments and improvements.

Finally, it should be mentioned in the context of IFRS maintenance projects that the IASB is currently working on numerous amendment projects that have yet to be finalised. These are:

a) Revision of the IFRS for SMEs, for which the second comprehensive review was launched in 2022 (ED/2022/1) – now completed;
b) Amendments to IFRS 3 and IAS 36 relating to disclosures and impairment in the context of business combinations (ED/2024/1);
c) Amendments to IAS 21 relating to the presentation currency in cases of hyperinflation (ED/2024/4);
d) Updates to IFRS 19, as certain notes disclosures were amended or extended in various IFRSs since its adoption, and these now require a corresponding amendment to IFRS 19 (ED/2024/5);

e) Updates to several IFRSs to add various examples that are intended to clarify the accounting for climate-related risks and other uncertainties in the financial statements (ED/2024/6);
f) Updates to IAS 28 to clarify details relating to the application of the equity method (ED/2024/7), and finally
g) Targeted improvements to IAS 37 to eliminate uncertainties and differences in the recognition and measurement of provisions and, at the same time, to harmonise IAS 37 with certain amendments to the IFRS Conceptual Framework (these were made in 2018) (ED/2024/8).

We presented and discussed all proposals that the IASB published and exposed as drafts for consultation in our technical committees. Additionally, we held public information and discussion events together with the IASB and other standard setters for the above-mentioned projects on (b) – Amendments to IAS 36 and IFRS 3 – and on (g) – Amendments to IAS 37 – where we are able to gather further views from the public. As a result, we communicated our findings to the IASB in the form of comment letters; in most cases, we also sent our opinion to EFRAG at the same time and with the same wording.

As in the past, we will continue to monitor and closely follow future developments and comment on them as required.

▲ Andreas Bödecker

▲ Nicolette Behncke

▲ Prof. Dr Sven Morich

COLLABORATION WITH OTHER STANDARD-SETTERS

World Standard Setters Conference

The World Standard Setters (WSS) Conference is the largest meeting of national standard-setters and regional organisations tasked with accounting-related issues. The WSS Conference is organised by the IFRS Foundation, which also sets the agenda for the event.

At this event, which is held once a year in the autumn and is attended by participants from all over the world, the ASCG was again represented by its Executive Committee in 2024. For us, it is a good opportunity to exchange ideas with a large number of standard-setting partners and maintain our relationships with them.

Alongside the presentation of the current status of and progress made on the IASB and ISSB work programmes, several breakout sessions were held over the two days to discuss financial reporting topics (provisions – targeted improvements, an update on the financial instruments projects, the third draft of the IFRS for SMEs and equity method accounting) as well as sustainability topics (adoption or other use of the ISSB standards, implementation of IFRS S1 and IFRS S2). At the plenary meeting, IASB and ISSB staff gave a joint presentation on the connectivity between financial statements and sustainability-related disclosures. Two other panel discussions were held: one on IFRS 18 and the other on the consistent application of IFRS financial reporting standards.

International Forum of Accounting Standard Setters

The International Forum of Accounting Standard Setters (IFASS) is an informal global network of national standard-setters and other organisations that have a close involvement in financial reporting issues. The Forum meets twice per year and, unlike the WSS Conference, is organised on the initiative of the national standard-setters. The IFASS meetings provide a key platform for discussing issues shared with other standard-setters, exchanging experiences, and finding partners for joint projects.

The first meeting of the year in April 2024 took place in Seoul with a virtual attendance option. As is customary, the second meeting took place in September following the WSS meeting in London, again in the form of a hybrid meeting. The ASCG was represented at both meetings by its Executive Committee and actively contributed the German perspective to the discussions on both blocks – sustainability and financial reporting. At the first meeting, Vice President Prof. Dr Sven Morich moderated the panel discussion on financial instruments with characteristics of equity and, as a panel member in a further discussion on rate-regulated activities, gave a presentation on the German perspective on this IASB project.

Other platforms

In addition to the above meetings on a global level, we also regularly raise current topics and viewpoints in various rounds of discussions held with other standard-setters. These include the Consultative Forum of Standard Setters (CFSS), at which the positions to be put forward by EFRAG at the ASAF are prepared and agreed.

We also maintain regular direct contact with selected standard-setters with whom we are able to address and explore confidential matters in private meetings. The main focus of these multilateral meetings, which are held several times per year, is on international corporate reporting issues in which we have a common interest. We jointly discussed the following topics in 2024, among others: the boundary between financial and sustainability reporting (climate-related and other uncertainties in financial statements), carbon offset programmes, power purchase agreements, intangible assets, and the statement of cash flows.

COMMENTS AND OTHER PUBLICATIONS

We published the following comments and other publications in the field of financial reporting in 2024. The complete texts of the documents are available on our website.

Publication Date	Subject
I. Comments to EFRAG	
07/11/2024	Draft Comment Letter on the IASB/ED/2024/4 Translation to a Hyperinflationary Presentation Currency – Proposed amendments to IAS 21
19/11/2024	Draft Comment Letter on the IASB/ED/2024/5 Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures
21/11/2024	Draft Comment Letter on the IASB/ED/2024/6 Climate-related and Other Uncertainties in the Financial Statements – Proposed illustrative examples
30/12/2024	ED EFRAG Due Process Procedures for the EFRAG Financial Reporting Activities
II. Comments to the IASB	
29/03/2024	IASB/ED/2023/5 Financial Instruments with Characteristics of Equity (Proposed amendments to IAS 32, IFRS 7 and IAS 1)
15/07/2024	IASB/ED/2024/1 Business Combinations – Disclosures, Goodwill and Impairment (Proposed amendments to IFRS 3 and IAS 36)
09/08/2024	IASB/ED/2024/3 Contracts for Renewable Electricity (Proposed amendments to IFRS 9 / IFRS 7)
06/11/2024	IASB/ED/2024/4 Translation to a Hyperinflationary Presentation Currency – Proposed amendments to IAS 21
15/11/2024	IASB/ED/2024/6 Climate-related and Other Uncertainties in the Financial Statements – Proposed illustrative examples
18/11/2024	IASB/ED/2024/5 Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures
III. Comments to the IFRS Interpretations Committee	
05/02/2024	IFRS Interpretations Committee's tentative agenda decisions in its November 2023 meeting

Publication Date	Subject
IV. Comments to other organisations	
05/01/2024	BMJ: Draft wording aid for raising the thresholds for company size classes under Directive 2013/34/EU (in German only)
14/03/2024	BMF: Act ensuring a global minimum of taxation for groups of companies (Minimum Tax Act – MinStG) – ASCG's suggestions for amendments to the text of the low or for clarifications in a future BMF circular (in German only)
14/10/2024	BMF: Discussion Draft of an Act adjusting the Minimum Tax Act and other measures (Minimum Tax Adjustment Act – MinStAnpG) (in German only)
25/10/2024	BMF: Supplementary comments to the Discussion Draft of an Act adjusting the Minimum Tax Act and other measures (Minimum Tax Adjustment Act – MinStAnpG) (in German only)
V. Own consultations	
27/02/2024	Draft German Accounting Amendment Standard No 14 (D-GAAS 14) (in German only)
22/03/2024	Evaluation of the application of IFRS in Germany: Phase 2 company survey
VI. Other publications	
10/01/2024	ASCG Briefing Paper: IASB project Power Purchase Agreements (Amendments to IFRS 9) (in German only)
12/03/2024	Report on the joint outreach event to IASB/ED/2023/5 Financial Instruments with Characteristics of Equity (in German only)
22/03/2024	Evaluation of the application of IFRSs in Germany: Report on the results from the stakeholder interviews conducted in phase 1 of the ASCG study (in German only)
24/07/2024	Report on the joint outreach event to the IASB/ED/2024/3 Contracts for Renewable Electricity (in German only)
11/12/2024	Short report on the results from the company survey conducted in phase 2 of the ASCG study (in German only)

II. Sustainability Reporting

We have been actively supporting the development of internationally consistent reporting standards in the area of sustainability reporting since our structural reform in 2021. This applies in the first instance to the ASCG's involvement in EFRAG's European standard-setting activities. Equally, we support the internationally focused standard-setting projects of the ISSB with regard to their application in Germany. We actively contribute to the development of reporting standards, whether in the form of our representation on EFRAG bodies by supporting the German members of various international bodies and working groups, by commenting on draft standards or through a range of cooperation projects. ASCG President Georg Lanfermann has been Vice-President of the EFRAG Administrative Board since February 2022. Prof. Dr Kerstin Lopatta, a member of the Sustainability Reporting Technical Committee, is Deputy Chair of the EFRAG SR Board. Dr Kati Beiersdorf, an ASCG Technical Director, represents us on the EFRAG SR TEG. We also maintain a close dialogue with the other German representatives on the EFRAG and ISSB committees and working groups.

Since 2023, we have operated a Liaison Hub in Frankfurt to the ISSB in cooperation with Goethe University. The goal is to gain scholarly evidence for standardisation. It focuses on sustainability reporting and its harmonisation as well as on connectivity with financial reporting.

We are also actively involved in the discussions on the legislative basis for sustainability reporting and support the Federal Ministry of Justice in accordance with the contract formally acknowledging the ASCG's role under section 342q of the HGB.

The Sustainability Reporting Technical Committee is responsible for issues and questions relating to sustainability reporting.

We report in detail on the key developments and our activities in this dynamic thematic area in the following sections of this chapter.

COOPERATION BETWEEN THE ASCG AND THE RNE

Kooperation zwischen DRSC und RNE

We initiated a cooperation agreement with the German Council for Sustainable Development (RNE) and as a result established the 'SME Sustainability Reporting' pilot group headed by Prof. Dr Alexander Bassen at the University of Hamburg as far back as September 2022. The pilot group is composed of experienced representatives from SMEs and various stakeholder groups involved in SME sustainability reporting. Members of our Sustainability Reporting Technical Committee are also represented in this group, in the shape of Carsten Beisheim, Prof. Dr Christian Fink and Noura Rhemouga.

The aim is to work together to support the thousands of small and medium-sized enterprises (SMEs) in Germany in implementing their sustainability reporting requirements, and additionally to proactively discuss these requirements for SMEs. These requirements for sustainability reporting by SMEs are rarely based on legally prescribed information obligations for SMEs, but mostly result from the information needs of the various stakeholders with regard to SME sustainability information. However, these may be the result of the stakeholders' legal obligations (for example, to report on the supply chain, regulatory requirements in the financial sector). An overview of these information requirements was published in August 2023. The challenge for SMEs lies in the diversity

▲▲ Dr Kati Beiersdorf
▲ Martin Bolten

▲▲ Dr Thomas Schmotz
▲ Dr Werner Rockel

of the specific information requirements, the differences in determining metrics and the differences in the scope, form and frequency of requests.

With this in mind, in 2024 the pilot group focused on EFRAG's proposals for a voluntary sustainability reporting standard for these SMEs (ESRS VSME). The proposals were analysed in terms of their suitability and applicability from the perspective of SMEs, as well as in terms of their informative value for banks or large companies as key users of SME sustainability information. The requirements for sustainability information are largely shaped by the Principal Adverse Impact (PAI) indicators specified in the Sustainable Finance Disclosure Regulation. The ASCG/RNE pilot group therefore examined these sustainability indicators in detail and assessed their relevance and practicability using a heat map. The results were published in January 2024 and, on the one hand, reveal the high importance of these indicators for voluntary reporting by SMEs as well. On the other, it is clear that selected indicators pose major difficulties for SMEs and that PAI indicators in the 'red zone' of the heat map in particular need to be discussed further and, if necessary, adapted. These 'red zone' indicators include Scope 3-related disclosures and biodiversity-related disclosures.

The results of the pilot group's detailed work were incorporated into both the comment letters on the draft ESRS VSME and the field tests conducted for it, as well as into the subsequent revision of the draft by EFRAG (see separate section in this chapter). EFRAG submitted the VSME reporting standard to the European Commission on 20 December 2024.

Cooperation between the ASCG and XBRL Germany

In November 2022, XBRL Germany and the ASCG decided to establish a joint 'Digital Sustainability Reporting' working group. This group combines the two associations' expertise in the field of sustainability reporting and digital transformation. The working group's objective is to monitor and assess initiatives for digital sustainability reporting, in particular current legislative and standardisation initiatives. To do this, the working group is expected:

- to discuss current activities and work results – such as the development of an XBRL taxonomy for ESRS and taxonomy reporting – and offer constructive support,
- to test the implementation of such an XBRL taxonomy in practice,
- to proactively identify digital transformation options and alternatives (inline XBRL reports and taxonomies) and test the quality of taxonomy design patterns using examples,
- to consider the impact of digital transformation of sustainability reporting on entities not required to prepare reports (e.g. in the supply chain) and, where applicable, interactions with local digital transformation efforts, and
- to establish the basis for technical comments.

Alongside representatives of XBRL Germany and the ASCG, the working group's members include representatives of reporting entities, auditors, software providers and users of digital sustainability reports. Approximately 20 ASCG member companies are represented in the working group. The meetings of the working group are not public. In 2024, the working group held a total of nine meetings, dealing with the draft of two XBRL taxonomies by EFRAG and the drafts for a German CSRD Implementation Act. In addition, members of the working group, together with the ASCG, discussed the draft of an implementing act on country-by-country reporting of income tax information (see separate section in Chapter III).

The German federal government's Sustainable Finance Advisory Committee

The ASCG continued supporting the work of the Sustainable Finance Advisory Committee of the German federal government as an official observer in 2024. We contributed our expertise in sustainability reporting in particular to the activities of the working groups on 'Regulatory Coherence', 'Sustainable Accounting', 'Biodiversity' and 'Transition Plans'.

The Advisory Committee was established in the 19th legislative term. It advises the federal government with the objective of transforming Germany into a leading centre for sustainable finance. The Advisory Committee continued its work in the 20th legislative term and appointed new Advisory Committee members and observers.

The following examples of the work carried out in the past calendar year are particularly worth highlighting:

- Compendium 'Funding our tomorrow – How private capital is making a difference for Germany's transformation',
- Policy paper on improving the EU Taxonomy green asset ratio,
- Policy paper on how to reflect sustainability information in financial accounting and reporting,
- Vision of a sustainable financial system in 2034.

All comment letters and publications of the Advisory Committee are available on its homepage.

Short survey by the ASCG on the status of the materiality assessment under ESRS in the German DAX 40 companies

Based on the assumption that the CSRD will be transposed into German law by a CSRD Implementation Act in 2024, we conducted a short survey on the status of the materiality assessment under ESRS in the German DAX 40 companies in June/July 2024. The concept of double materiality that is anchored in ESRS requires companies to report on all sustainability topics that, as a result of their business activities, have a material impact on people or the environment (impact materiality) or material financial impacts (financial materiality) on the company, i.e. its current or future financial position, financial performance, cash flows, its access to finance or cost of capital.

The objective of the survey was to obtain an overview of the relevant topical ESRS, the number of sustainability topics identified in accordance with ESRS 1 AR 16 (Application Requirement) and the number of entity-specific disclosures that companies are likely to address in their sustainability report or group sustainability report. In addition, we asked companies which steps they had already gone through as part of the auditor's process to audit the materiality assessment for financial year 2024. The study is a follow-up to our short survey conducted in June/July 2023 on the implementation of ESRS in the German DAX 40 companies.

34 of the DAX 40 companies took part in the short survey, allowing meaningful conclusions to be drawn about the status of the materiality assessment. We would like to thank all participating companies for their support.

We were able to establish that all 34 companies surveyed will be addressing ESRS E1 and ESRS S1 as part of their sustainability reporting, and almost all (33) will be addressing ESRS G1. Ten of the companies surveyed stated that they intended to consider all topical ESRS in their sustainability reporting, while the remaining 24 companies will address between three and nine topical ESRS. In addition, there was a wide range in the number of sustainability topics to be reported on in accordance with ESRS 1 AR 16, ranging from 12 to 86 topics per company. When it comes to entity-specific disclosures, the majority of the companies surveyed (28) plan to address zero, one or two topics.

With regard to coordination with the auditors, most of the companies surveyed (29) stated that they had either already received a preliminary assessment that their procedural approach to materiality assessment complies with the requirements of ESRS (14) or that they are in the process of in-depth discussions about this approach (15).

In an online presentation of the results of the short survey and a subsequent discussion with 20 of the companies surveyed, it became clear that, despite intensive analysis of ESRS, many companies are still uncertain about the number of sustainability topics they have to report and whether their auditors will accept these topics.

Cooperation with other institutions, own events

In addition, we worked with a large number of other institutions over the past year.

In cooperation with the BDI, we published a joint brochure at the beginning of May on the EU requirements for sustainability reporting. This brochure is intended to provide a comprehensive overview of the new reporting requirements and is primarily aimed at the large number of companies that should (according to the current version of the Accounting Directive) be required to report on sustainability for the first time for financial year 2025. The BDI and the ASCG are therefore responding in particular to the information needs of these approximately 14,500 companies, which have not previously had to deal with non-financial and sustainability-related reporting requirements.

Immediately after its publication, an information event was held in May 2024 by the BDI, together with the ASCG, econsense and Ernst & Young as cooperation partners. The event, which was addressed by high-level speakers, provided information on the draft of the national CSRD Transposition Act, among other things. Representatives from politics and public administration, standard setters and experts from academia, companies and the auditing profession discussed the draft of the act against the backdrop of practical challenges, such as the preparation and audit of the management report, integrated reporting and the electronic reporting format. Aspects of the materiality assessment and the draft standards for small and medium-sized enterprises (ESRS LSME and ESRS VSME), which EFRAG was consulting on at the time, were also discussed.

An online discussion was held in mid-November as a continuation of the joint cooperation with the BDI, econsense and Ernst & Young. The original plan had been to discuss the government draft of the CSRD Transposition Act, which was published in August. However, in view of the collapse of the coalition at the beginning of November, the focus was shifted to the implications of the delay in transposing the CSRD.

Also in mid-November, we held the first Hamburg Forum on Sustainability Reporting in cooperation with the University of Hamburg and with the support of the Sustainable Finance Research Group and the Sustainable Finance Research Platform. The two-day conference focused on the implementation and further development of the CSRD and ESRS. The first day, at the University of Hamburg,

▲ Birgit Weisschuh

▲▲ Dr Lothar Rieth
▲ Georg Lanfermann

focused on the roots of the CSRD in EU law and the embedding of ESRS in further EU legislative measures. On the second day, this time at the *Handwerkskammer* Hamburg (Hamburg Chamber of Skilled Crafts), attendees were given an academic insight into the topic of biodiversity and the associated challenges. In addition, a number of implementation issues were discussed in panel sessions.

Together with the German Chamber of Industry and Commerce (IHK), we held a virtual event for companies and the IHK in October 2024 to discuss initial experience with implementing ESRS. The approximately 360 attendees primarily represented companies for which the Accounting Directive requires a sustainability report for the first time for financial year 2025. We provided information on the latest developments regarding ESRS and answered selected application questions from the attendees. Company representatives presented the practical approach and its implementation status and engaged in a detailed discussion on this topic.

In the past year, the ASCG also continued to perform its role as a multiplier by means of a large number of presentations by the members of Executive Committee and ASCG staff at various events and in various bodies, e.g. in the Arbeitskreis Externe Unternehmensrechnung (working group on external corporate accounting) of the Schmalenbach-Gesellschaft für Betriebswirtschaft, at the ESG dialogue of the Federal Ministry for Economic Affairs and Climate Protection, at various interest groups and – as part of a lectureship of ASCG President Georg Lanfermann – at the University of Potsdam.

COOPERATION WITH EUROPEAN INSTITUTIONS

The CSRD in its current form obliges a large number of EU and certain non-EU entities to report on sustainability using ESRS. The standards are developed as exposure drafts by EFRAG and adopted by the European Commission in the form of delegated acts. The delegated act on Set 1 of ESRS (Delegated Regulation (EU) 2023/2772) was already published in the Official Journal of the EU at the end of 2023. This means that mandatory sustainability reporting standards came into force for the first time in the EU for financial years beginning on or after 1 January 2024.

The first set of ESRS comprises twelve sector-agnostic standards on environmental, social and governance aspects. In light of the complexity of the reporting requirements enshrined in the standards, the European Commission already called on EFRAG at an early stage to prioritise the development of implementation support for Set 1 of ESRS and to defer the development of further exposure drafts for the time being. In May 2024, EFRAG published the first implementation guidance on the materiality assessment, value chain and ESRS data architecture. In addition, as a result of the Q&A platform established in October 2023, a total of more than 160 ‘Explanations’ on the application of Set 1 of ESRS were published between February and December 2024. At the same time as developing this implementation support, EFRAG has also continued its work on the ESRS for small and medium-sized enterprises, sector-specific ESRS and separate standards for non-EU entities.

EFRAG standards for sustainability reporting by small and medium-sized enterprises

In addition to the approximately 15,000 large entities that are obliged to report on sustainability in accordance with ESRS Set 1, many thousands of small and medium-sized enterprises (SMEs) also need to produce sustainability information. In Germany, only a few (approximately 30 – 40) publicly traded SMEs are subject to the CSRD reporting obligation. For the vast majority of SMEs, the reporting requirements arise indirectly from the information needs of the SMEs’ business partners. For example, large entities subject to reporting requirements need sustainability information from their (SME) suppliers to allow them to report on sustainability aspects in their own supply chain. Banks also frequently request sustainability information, as they have to take this into consideration in certain cases when originating loans due to regulatory requirements. The ASCG/RNE pilot group prepared an overview of the information requirements of the various SME stakeholders (see separate section in this chapter).

EFRAG has developed a sustainability reporting standard both for SMEs subject to mandatory reporting requirements and for voluntary sustainability reporting by SMEs. The exposure drafts of these standards – ESRS LSME (listed SMEs) and ESRS VSME (voluntary application by SMEs) – were published in January 2024. Field tests were carried out on these exposure drafts until April 2024, and comments on them could be submitted until May 2024. Many stakeholders participated in this consultation process. EFRAG received approximately 150 comments on the LSME and approximately 350 on the VSME, and 30 (LSME) and 164 (VSME) preparers and users of sustainability information (e.g. banks) were involved in testing the exposure drafts as part of EFRAG's field tests. The exposure drafts were subsequently revised on the basis of the feedback. The ESRS VSME finalised by EFRAG was submitted to the European Commission in December 2024. Finalisation of the ESRS LSME by EFRAG is still outstanding. The European Commission will launch a public consultation on the ESRS VSME during the first half of 2025 and subsequently will publish it for use (probably in mid-2025). A procedure similar to that for the ESRS (delegated act) as set out in the CSRD is not currently planned for the ESRS VSME.

We have been involved in the process of developing these SME standards through a wide range of activities. We not only developed comment letters on both of the exposure drafts. In particular, we also carried out field tests on the exposure draft of the ESRS VSME together with the German Chamber of Industry and Commerce (DIHK) and the Baden-Württemberg Cooperative State University (DHBW). Twelve IHK member companies from various sectors and regions with between 20 and 200 employees participated in these field tests. The results were discussed with EFRAG representatives and thus fed directly into EFRAG's consultation process in addition to the written analyses. The ASCG's comment letter on the draft ESRS VSME also included interviews with users of SME sustainability information. We were able to conduct such interviews, for example, with S Rating und Risikosysteme GmbH, ParcIT GmbH, Creditreform and Ecovadis.

We also carried out field tests on the exposure draft of the ESRS LSME together with the National Association of German Cooperative Banks (BVR), the European Association of Cooperative Banks (EACB) and Genoverband e. V. This field test was not carried out with publicly traded SMEs, but with four cooperative banks. These banks belong to the significantly larger LSME user group, namely the small and non-complex institutions (SNCI). These results were also discussed directly with EFRAG. The details were incorporated in the revision. In addition, discussions were held with listed SMEs on the exposure draft of the ESRS LSME.

Sector-specific standards on sustainability reporting

On top of the sector-agnostic standards of ESRS Set 1, Article 29b of the EU Accounting Directive in its current form also provides for the development of sector-specific standards. The first sector-specific ESRS were originally scheduled to be adopted by the European Commission as delegated act by June 2024. In spring of 2024, at the proposal of the European Commission and following an agreement between the European Parliament and the Council of the European Union, this deadline was postponed by two years to June 2026. We expressly endorsed this step from the outset to allow affected entities sufficient time to implement and continuously improve their sustainability reporting. However, in accordance with the amended requirements of the EU Accounting Directive, the European Commission is still supposed to adopt eight sector-specific ESRS as delegated acts without delay once they have been finalised, and hence possibly before June 2026.

EFRAG had already presented initial working papers on sector classification (ESRS SEC 1) and for the sectors 'Mining, Quarrying and Coal', 'Oil and Gas', 'Road Transport' and 'Agriculture, Farming and Fishing' in March 2023. However, in response to the European Commission's call for the urgently needed implementation support for ESRS Set 1 to be given higher priority, EFRAG had deferred further development of the sector-specific ESRS for the meantime. Work was stepped up again from spring 2024: for example, a total of eleven workshops on the planned sector classification were held in February 2024. As part of the related survey, we drew attention to, among other things, the need for a practicable sector definition that adequately reflects entities' actual business models and sustainability profiles and, likewise, takes into account the way in which entities and their accounting systems are organised. In addition, we once again emphasised the need for alignment with internationally recognised standards and frameworks, as well as for sufficient proportionality of any sector-specific disclosure requirements.

According to EFRAG's 2024 work programme, there are currently plans to develop up to 35 sector-specific standards over several annual cycles. In the past year, work focused in particular on ESRS SEC 1 and the two pilot standards for the 'Oil and Gas' and 'Mining, Quarrying and Coal' sectors. Besides this, the development of three standards for the financial sector ('Banking', 'Insurance' and 'Capital Markets') was prioritised in the form of advisory bodies established by EFRAG. In September 2024, the EFRAG Sustainability Reporting Board (SRB) approved the first two exposure drafts for ESRS SEC 1 and for the 'Oil and Gas' sector by means of a majority decision. However, it was emphasised that this was a purely content-related approval that had no connection with the start of the public consultation. Accordingly, the exposure drafts will not be the subject of a public consultation until a later date, in agreement with the European Commission.

The ASCG has been closely involved in the work on the sector-specific standards from the start. In 2024, for example, we continued discussing the development of the standards in our technical committees and contributed the positions developed there to the EFRAG discussions through our representatives on the SRB and the Sustainability Reporting Technical Expert Group (SR TEG). The round tables and panel discussions with industry experts we launched in the first half of 2023 will also be resumed after the publication of the first exposure drafts for consultation, and the insights gained here will be used to support EFRAG in the further development of the sector-specific standards. On top of this, we published a brochure together with the BDI on 14 January 2025 to provide guidance on industry-specific considerations for the ESRS materiality assessment. This guidance is intended to assist industry associations in identifying sector-specific impacts, risks and opportunities, as well as the associated material sustainability topics, and can also be used to identify ESRS disclosure requirements and data points that are considered to be material for a given sector.

On 26 February 2025, the European Commission published its 'Omnibus 1' package including proposals to simplify sustainability reporting requirements. Among other things, there is a proposal to delete the requirement to develop sector-specific standards in accordance with Article 29b of the EU Accounting Directive. The publication of the proposals marks the prelude to the negotiations for the legislative process between the European Parliament and the Council of the European Union. Hence, further amendments to the published proposals, including with regard to any sector-specific ESRS, cannot be ruled out.

German translation of ESRS VSME

The ASCG and the Austrian Financial Reporting Advisory Committee (AFRAC) established a joint project group on 26 July 2024. It is working on a thesaurus of English-German terminology from Set 1 of the ESRS, which will form the basis for the translation of the VSME.

The VSME will be a voluntarily applicable European reporting standard for SMEs that do not fall within the scope of the CSRD. In contrast to ESRS, the VSME is not published as a delegated act of the European Commission and is currently only available in English. The publication by the European Commission on 26 February 2025 of a first package of proposals for the reduction of administrative burdens on business (the Omnibus initiative) also proposed changes to the content and meaning of the VSME. It is currently uncertain whether the VSME will be published by the European Commission in the Official Journal of the European Union in all official EU languages. Joint field test results from the DIHK and ASCG on the exposure draft of the VSME already revealed in the spring of 2024, however, that an easy-to-understand German translation will be a necessary condition for acceptance of this standard by German SMEs.

In its first two meetings, the ASCG/AFRAC project group systematically captured the terminology (English-German) in ESRS 1 and ESRS 2 on the basis of the current English version of ESRS Set 1 (April 2024), the current German version of ESRS Set 1 (August 2024) and the ASCG analysis correcting the original German translation of ESRS Set 1. This initial interim result of the project work was pub-

▲ Prof. Dr Brigitte Eierle

▲▲ Dr Denny Kutter
▲ Dr Ilka Canitz

lished for consultation for three weeks (until 20 November 2024) and discussed at the 33rd meeting of the Sustainability Reporting Technical Committee.

In addition, the project group has started initial work on a translation of EFRAG's Implementation Guidance 3 (EFRAG IG 3: List of ESRS Data Points). This work arose more or less by chance from the synergy between the systematic capturing of the terminology used in ESRS Set 1 and inquiries from companies about a German translation.

With the submission of the VSME by EFRAG to the European Commission on 17 December 2024, the project group also started work translating the VSME and will continue this project in the current year.

EFRAG's work on questions posted to the Q&A platform

EFRAG's Q&A platform has been available for posting questions about ESRS since October 2023. By the end of 2024, EFRAG had received almost 800 questions (see link to the *Log of questions received*). These were initially categorised by the EFRAG SR Board and SR TEG (e.g. as rejection, explanation, implementation guidance) and their further treatment depended on their categorisation.

As at December 2024, approximately 140 of the questions received had not yet been categorised and approximately 330 questions had already been rejected, for example because they do not relate to a widespread use case, they have already been answered or are not the subject of EFRAG's work (e.g. questions relating to the CSRD issued by the European Commission).

This still leaves over 300 questions, for most of which a comparatively brief explanation has been or is in the course of being prepared by the EFRAG bodies (explanation). In rarer cases, EFRAG considers a more in-depth assessment to be necessary and develops corresponding Implementation Guidance (IG), which includes public consultation. The first IGs were published in 2024, dealing with various issues related to the materiality assessment (IG 1 *Materiality Assessment*), the value chain (IG 2 *Value Chain*) and a compilation of ESRS Set 1 data points (IG 3 *List of ESRS Data Points*).

From February to November 2024, EFRAG prepared a total of 157 explanations on cross-cutting issues and questions relating to the topical ESRS on environmental, social and governance issues, and compiled them in a document (*Compilation of Explanations*). These were followed by a small number of separately published explanations on environmental topics in December 2024, bringing the total number of ESRS explanations to 162.

The IGs and explanations published by EFRAG are important for practitioners, especially for preparers and auditors. This applies regardless of the fact that these are non-authoritative documents that have been and will be developed for the purpose of providing support for the implementation of ESRS. For this reason, the ASCG's Sustainability Reporting Technical Committee (in part together with the Financial Reporting Technical Committee in the Joint Technical Committee) addressed the IGs and explanations resulting from this process. For example, the exposure drafts of IG 1 *Materiality Assessment*, IG 2 *Value Chain* and IG 3 *List of ESRS Data Points* were discussed and comments were submitted to EFRAG.

However, the ASCG is not only making use of the opportunity to submit comments on the IG exposure drafts. The Sustainability Reporting Technical Committee is also in close contact with EFRAG staff members who are discussing the considerations regarding the explanations or IGs together with the Sustainability Reporting Technical Committee at its meetings. In addition, the results of the Sustainability Reporting Technical Committee's deliberations and additional insights can be directly incorporated into the EFRAG debate via the ASCG's representation on the EFRAG SR Board and in the EFRAG SR TEG when these explanations and IGs are being developed.

EFRAG consultation on the XBRL taxonomies for ESRS Set 1

On 8 April 2024, we submitted our comment letter on the draft XBRL taxonomy for Set 1 of ESRS (Delegated Regulation (EU) 2023/2772) to EFRAG. Our letter also contained comments on the draft XBRL taxonomy for reporting in accordance with the Taxonomy Regulation (Regulation (EU) 2020/852) and on the tagging rules still to be developed by the European Securities and Markets Authority (ESMA). Our submission to EFRAG was provided via a web-based questionnaire and in the form of a letter with identical content.

In the comment letter, we called in particular for tagging a single data point with several taxonomy elements to be avoided as far as possible, as such multi tagging is time-consuming for the preparers. In addition, ESMA should only require the use of certain mandatory elements in the future regulatory technical standard amending the provisions of the ESEF Regulation (Delegated Regulation (EU) 2019/815), instead of making the full scope of the taxonomy elements mandatory.

Moreover, reasonable transitional periods should be granted for the tagging requirement, as the tagging of sustainability information is a learning and adaptation process. Entities that are required to publish a sustainability report for the first time should not be obliged to apply all tagging requirements in their first reporting period. Instead, these entities should only be required to tag some of their information in their first reporting periods. Such an approach has already proven to be successful in the application of the ESEF Regulation to date. With regard to tagging, preparers should not be required to fulfil more reporting requirements than those set out in the ESRS or the Taxonomy Regulation. Ultimately, users of a human-readable format of sustainability reports should be no better (or worse) off in terms of information content than users of the machine-readable iXBRL format.

The Sustainability Reporting Technical Committee addressed the XBRL taxonomies at its 26th meeting on 15 March 2024 and was supported by the results of the discussions in the 'Digital Sustainability Reporting' working group.

On 13 December 2024, ESMA launched a consultation on the amendment of the ESEF Regulation technical regulatory standard in particular, which includes the XBRL taxonomies as well as the tagging rules. The ASCG decided at the end of 2024 to participate actively in this consultation.

We published a briefing paper on electronic sustainability reporting, which was updated again in 2024. We are planning to update this briefing paper in light of the ESMA consultation in 2025.

COOPERATION WITH INTERNATIONAL INSTITUTIONS

ASCG is an associate partner of ISSB and Goethe University

As an associate partner, the ASCG supports a Memorandum of Understanding (MoU) between the ISSB and Goethe University Frankfurt a.M. The aim is to establish an academic network centred on the ISSB.

The ISSB and Goethe University have formalised the cornerstones of their cooperation in this MoU. In future, the House of Finance, the Sustainability & Biodiversity profile area and the Faculties of Economics and Biological Sciences in particular will provide academic support for the development of the ISSB standards. The primary objectives of the MoU are:

- one to two conferences a year,
- networking with the relevant research institutions in the Rhine-Main region,
- education and training with regard to the development and application of sustainability reporting standards

In addition to the ASCG, Leibniz Institute for Financial Research SAFE e. V., the Senckenberg Society for Nature Research, the Institute for Social-Ecological Research (ISOE) GmbH and the Helmholtz Centre for Environmental Research (UFZ) support the MoU as associate partners.

We had already opened a liaison hub at Goethe University in March 2023 to promote scientific evidence in standard-setting. In the following section, we report on the first Sustainability Standards Conference in Frankfurt am Main.

Successful debut of the first Sustainability Standards Conference at Goethe University

The first Sustainability Standards Conference was held at Goethe University in Frankfurt am Main on 10 June 2024. The conference was jointly organised by the IFRS Foundation, the ASCG, Goethe University Frankfurt a.M. and the Leibniz Institute for Financial Research SAFE e. V. and supported by the House of Finance Goethe University Frankfurt and Deutsche Börse Group. The agenda included topics related to the ISSB's current and future standard-setting activities. These were discussed from both a practical and an academic perspective.

A total of over 500 people attended the event. The approximately 160 in-person participants came from the fields of business, academia, standard-setting and government. Among those present were ISSB Chair and Deputy Chair Emmanuel Faber and Sue Lloyd, as well as other members of the ISSB. In several panel discussions, ISSB members discussed topics such as demand, adoption and future steps towards a global sustainability reporting baseline with high-ranking representatives from business, academia and government.

The panellists included Dr Ingrid Hengster (Barclays Bank), Dr Stefan Leithner (Deutsche Börse AG) and Adam Pradela (Deutsche Post DHL) as practitioners. Academic input was provided by Prof. Stefan Reichelstein, PhD (University of Mannheim), Prof. Dr Kathrin Böhning-Gaese (Senckenberg Biodiversity and Climate Research Centre), Prof. Dr Axel Weber (Center for Financial Studies) and Prof. Loriana Pelizzon, PhD (Leibniz Institute for Financial Research SAFE e. V.), among others. Irene Heemskerk (European Central Bank) and Patrik Hoedjes (European Insurance and Occupational Pensions Authority, EIOPA) were among the policymaker representatives present.

The conference was opened by welcome addresses from the President of Goethe University Prof. Dr Enrico Schleiff, Hesse Minister of Finance Prof. Dr Ralph Alexander Lorz and ISSB Chair Emmanuel Faber. Prof. Dr Rainer Klump (House of Finance Goethe University Frankfurt) and Prof. Dr Florian Heider (Leibniz Institute for Financial Research SAFE e. V.) moderated the programme.

The conference marked the launch of a regular annual conference. As such, it is an integral part of a Memorandum of Understanding between the ISSB and Goethe University, which the ASCG is supporting as an associate partner (see section above). The second Sustainability Standards Conference at Goethe University will be held on 21 and 22 July 2025.

Interoperability of ESRS and IFRS SDS

Since the very early days of the development of ESRS by EFRAG and the IFRS Sustainability Disclosure Standards (IFRS SDS) by the ISSB, the question has arisen of the compatibility of the two frameworks. This became very clear during the European Commission's consultation in summer 2023, when numerous constituents emphasised the importance of this aspect and called, for example, for the wording on financial materiality in ESRS to be aligned as closely as possible with the corresponding language in the IFRS SDS.

The subsequent joint work by the ISSB and EFRAG to harmonise the requirements in detail ultimately led to the *ESRS-ISSB Standards Interoperability Guidance*. This guidance, also referred to as 'educational material', was published at the beginning of May 2024. It illustrates a high degree of alignment between IFRS SDS and ESRS and also shows how entities can apply both standards, including a detailed analysis of the alignment in respect of climate-related disclosures.

In September, we organised a virtual workshop in cooperation with EFRAG and the ISSB to enable a practical exchange on this topic. Jenny Bofinger-Schuster (member of the ISSB) and Prof. Dr Kerstin Lopatta (University of Hamburg, Deputy Chair of the EFRAG SR Board and a member of the Sustainability Reporting Technical Committee) spoke about the objectives, concepts and process of the guidance, while Christoph Töpfer (Federal Environment Agency, and a member of the EFRAG SR TEG) presented the interoperability guidance. This was followed by a detailed discussion of selected topics.

We are planning to repeate this event in 2025 with a stronger focus on the practitioner perspective, as soon as initial practical experience with the preparation of ESRS-compliant sustainability reports has been accumulated on a broad scale.

COMMENTS AND OTHER PUBLICATIONS

We published the following comments and other publications in the field of sustainability reporting in 2024. The complete texts of the documents mentioned on this pageare available on our website.

Publication date	Topic
I. Comment Letters	
16/01/2024	EFRAG: Draft EFRAG Implementation Guidance – IG 1 Materiality Assessment, IG 2 Value Chain
31/01/2024	EFRAG: Draft EFRAG Implementation Guidance – IG 3 List of ESRS datapoints
08/04/2024	EFRAG: Draft XBRL Taxonomies for ESRS Set 1
21/05/2024	EFRAG: ED ESRS VSME and ED ESRS LSME
II. Other publications	
30/01/2024	ASCG/RNE: Heat map on Principal Adverse Impact Indicators (in German only)
15/02/2024	ASCG Briefing Paper: Electronic Sustainability Reporting under the CSRD (in German only)
24/05/2024	Results of the DIHK and ASCG pilot group on the draft VSME ESRS (in German only)
03/05/2024	Results of the joint public discussion event on the EFRAG drafts ED ESRS LSME and ED ESRS VSME
07/05/2024	BDI/ASCG: Brochure on the EU requirements for sustainability reporting (in German only)
05/07/2024	ASCG Briefing Paper: GAS on reporting on intangible resources (in German only)
05/07/2024	ASCG Briefing Paper: Amendments to GAS 20 due to the transposition of the CSRD (in German only)
12/07/2024	Results of the short survey by the ASCG on the status of the materiality assessment under ESRS in the German DAX 40 companies (in German only)
08/08/2024	ASCG Briefing Paper: Electronic Sustainability Reporting under the CSRD (Update) (in German only)
13/08/2024	Analysis of the suggested terminological changes to correct ESRS Set 1 (in German only)
27/08/2024	ASCG Briefing Paper: EU Regulation on deforestation and forest degradation (in German only)
02/09/2024	ASCG Briefing Paper: Reporting under the CSDDD (in German only)
09/10/2024	ASCG Briefing Paper: Scope of the CSRD and CSDDD (in German only)
03/12/2024	ASCG/RNE: Guidelines for supervisory boards on biodiversity management (in German only)
20/12/2024	ASCG Briefing Paper: EU Taxonomy Regulation: Reporting obligations for non-financial entities (update) (in German only)

III. Overarching Corporate Reporting Topics

Some corporate reporting topics are overarching and are equally important for financial reporting and for sustainability reporting. The Joint Technical Committee, which consists of the two technical committees – the Financial Reporting Committee and the Sustainability Reporting Technical Committee – is responsible for addressing these topics. We report on these topics on the following pages.

STANDARD-SETTING BY THE ASCG

Revision of GAS 20 Group Management Report

In anticipation of the CSRD Transposition Act, we also addressed the corresponding amendment to GAS 20 *Group Management Report* in the past year. The ASCG's Joint Technical Committee is leading this project because the topic is associated with both financial and sustainability reporting. The ASCG's 'Group Management Report' working group, chaired by Prof. Dr Peter Kajüter, has been tasked with supporting the development of proposals for amending GAS 20.

Following the publication of the ministerial draft in March and the government draft at the end of July 2024, the technical discussions of the working group and the Joint Technical Committee were able to focus on specific regulatory proposals arising from the legislative process in the past year. In the course of the deliberations, a number of fundamental discussions were held and preliminary decisions were taken.

One key aspect was the importance of the principles of proper management reporting: completeness, conveyance of group management's perspective, materiality, granularity of information, reliability and freedom from bias, as well as clarity and transparency. These six principles are set out in GAS 20 and also apply to the consolidated non-financial statement. As ESRS were developed as rule-based standards and provide for very granular and detailed disclosure requirements, doubts arose as to whether the principles of proper management reporting as set out in GAS 20 (e.g. conveyance of group management's perspective) can also apply to a group sustainability report. In addition, the Joint Technical Committee had established that ESRS define distinct characteristics of information for a sustainability report. In the revised GAS 20, the ESRS-compliant group sustainability report will therefore be excluded from the scope of the principles of proper management reporting. Nevertheless, GAS 20 will continue to deal with the entire group management report, although a distinction will be made in future between the 'general section of the group management report' and the 'group sustainability report'.

Based on the assumption that transposition of the CSRD would be completed in December, we published a briefing paper on the amendments to GAS 20 due to transposition of the CSRD and another briefing paper entitled 'GAS on reporting on intangible resources' at the beginning of July in order to inform the public as early as possible about initial aspects of the amendment to and development of the standard.

After the short summer break, the debate also continued with undiminished vigour. For example, the government draft of the CSRD Transposition Act contained a proposal to exempt all entities from the obligation to disclose the most significant non-financial key performance indicators in the report on economic position if a sustainability report is prepared. This led to a detailed discussion on the understanding of non-financial key performance indicators in the Joint Technical Committee and the working group. Based on the preparatory work of the working group, the Joint Technical Committee developed a definition and decided to include it in GAS 20.

Substantive preparations for an amendment to GAS 20 based on the government draft had almost been completed in November. However, as the coalition government collapsed in the same month and the CSRD Transposition Act could therefore no longer be adopted, we have paused our work on amending GAS 20 at this time.

Clarification of the CSRD requirements for reporting on intangible resources

The ASCG is currently discussing clarifications regarding the new reporting requirement relating to intangible resources. The discussions are expected to result either in a separate GAS on intangible resources or in an extension to GAS 20 *Group Management Report*. As adoption of the draft exposed for consultation (D-GAS or D-GAAS)

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▲ Dr Rico Chaskel

▲ Gero Bothe

has to wait until the legislative process has been completed, publication of the clarifications by the ASCG will depend on adoption of the CSRD Transposition Act.

The CSRD requires entities to publish enhanced reporting on intangible resources. In future, information on the most important intangible resources must be included in the general section of the management report. The extent to which the entity's business model is fundamentally dependent on these resources and the extent to which these resources represent a source of value creation for the entity must also be explained. The wording of the Directive does not contain any more detailed requirements. Only the recitals outline the motivation for the new reporting requirements and their relationship with the substance of sustainability reporting.

In order to inform the public, and in particular the users of GASs, about the discussions and planned clarifications before the legislative process is completed, the ASCG published the briefing paper 'GAS on reporting intangible resources' on 5 July 2024. As the legislative process was further delayed due to the collapse of the governing coalition, a further briefing paper published on 23 December was aimed at updating the 5 July 2024 briefing paper. It contains the updated status of the clarifications regarding the reporting requirement relating to intangible resources. In addition, it addresses the implications of not transposing the CSRD on time with regard to reporting on intangible resources.

As transposition of the CSRD will fall within the new legislative period, the CSRD Transposition Act is not expected to be adopted until mid-2025 at the earliest. The consultation on the GAS clarifications is therefore not expected before mid-2025.

CSRD TRANSPOSITION INTO GERMAN LAW

Ministerial draft and government draft act to transpose the CSRD into German law

In accordance with Article 5(1) of the CSRD, the Directive should have been transposed into national law by the EU Member States by no later than 6 July 2024. In Germany alone, around 14,500 companies were supposed to be gradually required to prepare sustainability reports in accordance with the CSRD from financial year 2024. On 22 March 2024, the Federal Ministry of Justice published the long-awaited ministerial draft as a prelude to the legislative process for transposing the CSRD into German law, which was subsequently opened for consultation until 19 April 2024. The reporting requirements set out in the CSRD would essentially be transposed 'one-to-one' into German law by the ministerial draft. In the course of transposing the Directive into German law, the existing legal framework was also expected to be reviewed and selectively amended – for example with regard to the reporting requirements of the German Supply Chain Due Diligence Act (LkSG). On 25 March 2024, given the short comment period, we published a briefing paper with a brief overview of the ministerial draft with the aim of providing our stakeholders with initial guidance to help them evaluate the regulatory proposals for transposing the into German law.

We also thoroughly analysed the ministerial draft and commented on it in the form of two comment letters. We submitted our first comment letter to the Federal Ministry of Justice on 19 April 2024, following in-depth discussions in our technical committees. Here, we agreed with the proposed 'one-to-one' transposition of the CSRD into German law, but at the same time argued in favour of avoiding additional bureaucratic burdens. In the comment letter, we drew attention in particular to the need for amendments to the proposed regulatory requirements governing the single electronic reporting format in accordance with the ESEF Regulation (Delegated Regulation (EU) 2019/815). In our view, preparation of the (group) management report in the single electronic reporting format proposed in the ministerial draft should be rejected because this 'preparation solution' would mean considerable additional effort and cause legal uncertainty, without creating any recognisable added value for the users of the information. In addition, the following issues, among others, were addressed in the comment letter:

- non-financial performance indicators (sections 289(3), 315(3) of the draft HGB),
- intangible resources (sections 289(3a), 315(3a) of the draft HGB),
- definition of the reporting entity, definition of the basis of consolidation,
- involvement of employee representatives (sections 289b(6), 315b(5) of the draft HGB) and
- interface with the LkSG (in particular section 10(5) and (6) of the draft LkSG).

As the result of a more in-depth discussion in our Sustainability Technical Committee, we also submitted an addendum to our 19 April 2024 comment latter on 30 April 2024. In this second comment letter, we pointed out additional issues that are of great importance both with regard to the 'one-to-one' transposition of the CSRD into German law, as envisaged in the ministerial draft, and in the context of current efforts to reduce the bureaucratic burden on German companies. Specifically, we commented on the following regulatory proposals contained in the ministerial draft:

- form (section 245 of the draft HGB),
- content of the (group) sustainability report (sections 289c, 315c(1) of the draft HGB) and
- entry into force of the reporting requirement for financial years starting on or after 1 January 2024 (draft EGHGB).

The BMJ published the comment letters submitted on the ministerial draft on 13 May 2024. On 24 July 2024, the Federal Cabinet then approved the government draft of an act transposing the CSRD into German law. This was preceded by long and controversial discussions between the federal ministries involved in the legislative act. While the government draft contained important amendments and clarifications in some areas, material changes made compared with the ministerial draft were generally of a selective nature. Fundamental issues, such as the question of whether other service providers will also be allowed to audit sustainability reports in future, in addition to representatives of the German public auditor profession, should be deferred until subsequent amendments to the law, according to the explanatory memorandum to the government draft. On 1 August 2024, we published a briefing paper on the regulatory proposals of the government draft and another briefing paper, which outlines the main changes in the government draft compared with the ministerial draft.

After some delay, deliberations on the draft legislation finally began in the German Bundestag and Bundesrat at the end of September 2024. At the same time, the European Commission opened infringement proceedings against Germany and 16 other EU Member States on 26 September due to their failure to date to transpose the CSRD into national law. It was not possible to complete the legislative process to transpose the CSRD into German law by the end of 2024 because of the collapse of the governing coalition at the beginning of November 2024. As a result, it must be assumed that the legal framework in place as at 31 December 2024 will continue to apply to reporting on the financial year ended 31 December 2024.

Comparison of NFRD and CSRD

At the beginning of 2025, the website of the European Commission revealed that ten EU Member States had not yet transposed the CSRD into national law by the end of 2024. This gives rise to the extraordinary situation that there is no uniform legal position regarding corporate reporting within the EU jurisdiction as at 31 December 2024. This has led to considerable uncertainties and doubts regarding practical application with regard to reporting for financial year 2024.

At the end of the year, we devoted greater attention to these questions and published a briefing paper addressing ESRS as a framework for a non-financial statement on 18 December 2024. As it can be assumed that the statutory provisions governing corporate reporting in place as at 31 December 2024 will continue to apply, certain entities will subsequently also have to prepare a non-financial statement or consolidated non-financial statement for financial year 2024. It can also be assumed that ESRS are a framework within the meaning of section 289d of the HGB and that the (consolidated) non-financial statement may therefore also be prepared using this framework in full or in part; however, there is no legal obligation to do so.

Nevertheless, many entities have decided to apply the ESRS in full. This is designed to create the conditions for exempting subsidiaries from any primary reporting obligation in those EU Member States where CSRD transposition into national law has been completed. This means that, in addition to ESRS, the previous regime governing the content and presentation of a (consolidated) non-financial statement applies to such a non-financial statement or consolidated non-financial statement. The briefing paper referred to above addresses precisely this question and illustrates which requirements – in addition to ESRS – must be complied with in order to simultaneously fulfil the requirements for a (consolidated) non-financial statement (sections 289b to 289e, 315b and 315c of the HGB; GAS 20 *Group Management Report*).

An important aspect of these considerations was the interaction between the principles of proper management reporting as set out in GAS 20 and the substantive requirements of ESRS for a sustainability report. In the expectation that the CSRD would be transposed into German law on schedule, we had already begun discussions on the content of the amendment to GAS 20 to align it with the then applicable legal position before the ministerial draft was published. In the course of this, the Joint Technical Committee expressed considerable doubt as to whether the principles of proper management reporting in accordance with GAS 20 would also apply to an ESRS-compliant sustainability report. The principles of proper management reporting as set out in GAS 20 should not therefore apply to the ESRS consolidated sustainability report.

Due to the unchanged legal position applicable to reporting on financial year 2024, GAS 20 also continues to apply for this reporting period and will not be amended at this time based on future legislation. However, as the (consolidated) non-financial statement for financial year 2024 will in many cases be prepared on the basis of full application of ESRS, and the principles of proper management reporting for non-financial statements and consolidated non-financial statements continue to apply, a solution to the resulting contradiction was required. In addition to publishing our technical position in the briefing paper, we have started to prepare implementation guidance on GAS 20. This final guidance was adopted by the Joint Technical Committee on 11 March 2025.

OTHER PROJECTS AND COOPERATION ARRANGEMENTS

Trilogue between BaFin, ASCG and IDW

Together with the German Federal Financial Supervisory Authority (BaFin) and the Institute of Public Auditors in Germany (IDW), we launched a new format for the trilogue between national standard-setting, enforcement and the auditing profession in the summer of 2024. The first meeting was held on 12 July 2024 in Berlin, where the latest developments in both financial and sustainability reporting were discussed. The meeting marked the start of regular discussions on issues relating to corporate reporting, which are expected to take place every six months, with the aim of ensuring an effective and proactive exchange between the institutions involved.

This was followed by a second meeting on 27 November 2024 in Düsseldorf. Here, the focus was on current developments in the area of sustainability reporting. The fact that the CSRD has still not been transposed into German law has led to significant application issues that are being discussed in each of the institutions concerned. In addition, among other things, all the institutions are dealing with issues such as the connectivity of financial and sustainability reporting and how to approach the non-authoritative explanations and guidance of the European Commission and EFRAG (‘Level III papers’).

In the context of enforcement proceedings, BaFin referred in particular to the enforcement priorities of the European Securities and Markets Authority (ESMA) and BaFin for sustainability reporting in 2025. Just like companies, enforcement bodies and auditors are also bound by the legal framework. In conclusion, all participating institutions emphasised the particular importance of and need for a timely and transparent exchange between all stakeholders, which will be continued in future as part of the trilogue.

ASCG is a member organisation of the Strategic Intangibles Initiative

The ASCG has been advocating for improvements in the way intangible assets are reported for years. The Strategic Intangibles Initiative launched by the World Intangible Capital Initiative (WICI) represents a new opportunity for doing this. As a founding member, we supported the activities of the Strategic Intangibles Initiative and presented our current work on GAS requirements for reporting on intangible resources in accordance with the CSRD requirements at the second meeting of the Initiative on 22 January 2025.

The establishment of the Strategic Intangibles Initiative was announced at the IFRS Foundation’s Integrated Thinking and Reporting Conference in Milan on 18 October 2024. The inaugural meeting was held on 27 November 2024.

The Strategic Intangibles Initiative was launched to create a platform for dialogue on how intangible assets are recognised, measured and reported. The Initiative has two core objectives:

- On the one hand, multilateral dialogue to raise awareness of the importance of intangible assets and promote the transfer of knowledge between organisations already active in this area.
- And on the other, the focus is on identifying convergences and developing joint solutions for selected topics.

Intangible assets such as human capital are located in both financial and sustainability reporting. They are therefore particularly appropriate for integrated reporting. The member organisations therefore come from a broad stakeholder environment, and many of them also support integrated reporting.

Membership of the Strategic Intangibles Initiative is divided into levels of involvement:

- membership of the Core Task Force, which is responsible for the content and results,
- membership of the Advisory Council, which acts in an advisory capacity, and
- as an observer.

Over a period of two years, the Initiative has plans to hold regular meetings where points of convergence will be identified and joint solutions will be developed in line with the objectives shown above. Thereafter, the results and proposals will be presented to the public.

We are supporting the work of the Strategic Intangibles Initiative in the Core Task Force, in which 16 other organisations are contributing their expertise. Among others, these include the European Federation of Financial Analysts Societies (EFFAS), EFRAG, the Global Reporting Initiative (GRI), the World Business Council for Sustainable Development (WBCSD) and the Value Balancing Alliance (VBA).

Public country-by-country reporting of income tax information

On 5 September 2024, we submitted our comment letter on the draft of an implementing act on public country-by-country reporting of income tax information (Directive (EU) 2021/2101). In addition to various technical improvements, we drew attention to the high costs involved in preparing and analysing these reports and also called for longer consultation periods to be allowed in future. The draft was published by the European Commission on 2 August 2024 with an initial comment period of just four weeks.

The Joint Technical Committee discussed the draft implementing act by a written procedure and was supported in this by the results of discussions with members of the ‘Digital Sustainability Reporting’ working group.

On 2 November 2024, the European Commission adopted the final implementing act, which was published in the Official Journal of the EU on 2 December 2024 as Implementing Regulation (EU) 2024/2952. An update of our related briefing paper covering the implementing act is planned for 2025.

COMMENTS AND OTHER PUBLICATIONS

We published the following comments and other publications on the overarching topics of corporate reporting in 2024. The complete texts of the documents mentioned on this page are available on our website.

Publication date	Topic
I. Comment Letters	
19/04/2024	BMJ: Ministerial Draft of the Act Transposing the CSRD into German Law (in German only)
30/04/2024	BMJ: Supplementary Comments on the Ministerial Draft of the Act Transposing the CSRD into German Law (in German only)
05/09/2024	European Commission: Draft implementing regulation laying down a common template and electronic reporting formats for the application of Directive 2013/34/EU of the European Parliament and of the Council as regards the information to be presented in reports on income tax information (Ares(2024)5581829)
II. Other publications	
25/03/2024	ASCG Briefing Paper: Ministerial Draft of the Act Transposing the CSRD into German Law (in German only)
05/07/2024	ASCG Briefing Paper: GAS on Reporting on Intangible Resources (in German only)
01/08/2024	ASCG Briefing Paper: Government Draft of the Act Transposing the CSRD into German Law (in German only)
01/08/2024	ASCG Briefing Paper: Material Amendments of the Government Draft compared with the Ministerial Draft of the Act Transposing the CSRD into German Law (in German only)
18/12/2024	ASCG Briefing Paper: ESRS as a Framework for a Non-financial Statement (in German only)
23/12/2024	ASCG Briefing Paper: GAS on Reporting on Intangible Resources (update) (in German only)

IV. Spotlight on Members

This section addresses the activities we performed exclusively for our members in 2024: the regular conference calls with Chief Accounting Officers (CAO Calls) and our preparer forums.

With regard to this type of cooperation, it is important to us that communication is multidirectional. We provide our members with information on issues relating to corporate reporting. In return, we ask our members to actively express their views and give feedback on selected matters. Last but not least, we provide them with an opportunity to discuss their experiences and questions with each other.

PREPARER FORUMS

We establish preparer forums on a range of corporate reporting matters, which serve as a platform for participants, who are ASCG members, to exchange views. Our aim is to add additional value for our members who fund and support our association. They give participants an insight into current developments and enable them to discuss implementation questions. Although the focus is on preparers, all members of the ASCG are invited to attend and get involved.

The Preparer Forum for ESEF-based Electronic Financial Reporting and the Preparer Forum on the ESRS, which was launched in 2023, both proved to be very popular. We also launched a new series of preparer forums on the implementation of IFRS 18 starting in November 2024. We report on the background and content of the three forums on the following pages.

We would like to thank our member companies and associations for their active participation and are already looking forward to these and additional preparer forums in 2025.

ESEF-based Electronic Financial Reporting

Background to the Introduction of the ESEF

Since 1 January 2020, listed entities in the EU have been required to prepare their annual financial reports in the European Single Electronic Format (ESEF) in accordance with Article 4(7) of Directive 2004/109/EC (Transparency Directive), as amended by EU Directive 2013/50/EU (Transparency Directive Amending Directive).

The applicable single electronic reporting format is defined by Delegated Regulation (EU) 2019/815 (ESEF Regulation). Under Article 3 of the ESEF Regulation, annual financial reports are required to be prepared in XHTML (Extensible Hypertext Markup Language) format. The included IFRS consolidated financial statements are marked up by embedding Inline XBRL (iXBRL) tags as specified in the Annex to the ESEF Regulation. The Regulation also provides an (extensible) core taxonomy for this purpose.

▲ Noura Rhemouga

▲▲ Dr Marco Ebel
▲ Cedric von Osterroth

The ESEF Regulation is periodically updated to take account of amendments to IFRSs, changes to the XBRL specification or other technical developments. Most recently, the core taxonomy was updated by the sixth iteration of Commission Delegated Regulation (EU) 2025/19 of 26 September 2024.

Preparer Forum meetings in 2024

We held a total of three Preparer Forum meetings in 2024. The main focus of the meetings was, on the one hand, on current developments relating to ESEF-based electronic financial reporting. On the other, we also tracked the proposals for the national transposition of Directive (EU) 2022/2464 (CSRD Directive) with regard to ESEF-based electronic sustainability reporting in the ESEF Preparer Forum.

The 18th meeting of the ESEF Preparer Forum was held in April 2024. This was in response to the Ministerial Draft of an Act Transposing the CSRD into German Law published by the Federal Ministry of Justice on 22 March 2024 (see Chapter III for details). The approximately 120 attendees at the event from the areas of preparers, auditors and associations discussed in particular the requirements proposed in the draft legislation with regard to ESEF-based electronic sustainability reporting. At the heart of the discussion was the obligation proposed in the ministerial draft for large corporations to prepare the (group) management report in the electronic reporting format in accordance with Article 3 of the ESEF

Regulation, i.e. in XHMTL format, and marking up the disclosures in the sustainability report in accordance with the (yet to be issued) provisions of the ESEF Regulation. It became clear that the requirement to prepare the (group) management report in the ESEF (as opposed to publication) would cause a higher administrative burden and legal uncertainty for the preparers, without adding any value for the users of corporate reporting.

ESMA published its annual update of the ESEF Reporting Manual in July 2024. In particular, ESMA updated its guidance in the ESEF Reporting Manual in light of the recent updates to the IFRS Taxonomy published by the IFRS Foundation in 2023 and 2024, as well as recent developments in the inline XBRL specifications applicable to report packages. At the national level, the Federal Cabinet adopted the Government Draft of an Act Transposing the CSRD into German Law in July 2024.

We tracked these developments very closely in the Preparer Forum and held another Preparer Forum meeting in September 2024. This meeting focused on the proposed requirements in the government draft of the Act Transposing the CSRD into German Law on preparation of the (Group) management report in the ESEF, including the obligation to mark up sustainability disclosures. In addition, the attendees discussed the updated guidance in ESMA's ESEF Reporting Manual and the ESEF Core Taxonomy 2024, particularly with regard to the impacts on the current reporting season.

Another meeting of the Preparer Forum was held in December 2024 in advance of the 2024 reporting season. This meeting focused on the significant changes to the ESEF Core Taxonomy 2024 and the updated guidance in ESMA's ESEF Reporting Manual. The approximately 80 attendees at the event took a closer look at selected issues relating to the technological innovations of the ESEF Core Taxonomy 2024 (in particular with regard to the application of Calculations 1.1 and the Report Package 1.0 Specifications).

The lively participation in the meetings of the Preparer Forum proves that there is still an extensive, ongoing need for discussion and sharing experiences. The ASCG has already held a total of 20 meetings in this format since the ESEF Preparer Forum was established in 2019.

Outlook

Meetings of the Preparer Forum for ESEF-based Electronic Financial Reporting are also planned for 2025.

We will actively monitor the further development of the ESEF reporting format requirements in 2025. In this context, we should mention the draft regulatory technical standard published by ESMA in December 2024 to amend the regulatory technical standards defined in the ESEF Regulation with regard to the specification of taxonomies for marking up sustainability disclosures in the European Single Electronic Format (ESEF) and with regard to the requirements for marking up IFRS consolidated financial statements.

In addition to incorporating electronic sustainability reporting in the ESEF Regulation, this consultation paper contains far-reaching proposals for revising the approach to marking up disclosures in the notes to the IFRS consolidated financial statements. According to ESMA's proposals, for example, a new approach for text block markups of the disclosures in the notes to IFRS consolidated financial statements is planned to be applied in an initial phase. The aim of this first phase is to reduce the number of multiple text block markups. In a second phase, the IFRS notes to the consolidated financial statements will no longer be marked up in blocks but in full detail, meaning that issuers will be required to mark up all numerical elements (including, but not limited to, monetary amounts, decimals, dates, integers and percentages, as well as elements with Boolean values and enumerations) that are disclosed in the notes to IFRS consolidated financial statements.

We will actively track these and other developments in the ESEF Preparer Forum.

ESRS application

Entities covered by the CSRD are now required to prepare sustainability reports using ESRS. Starting in financial year 2024 (reporting in 2025), this applied in the first wave to large publicly traded entities with more than 500 employees as well as certain credit institutions and insurance undertakings. Starting in financial year 2025 (reporting in 2026), the reporting obligations will be extended by the CSRD in its current form to all large entities, regardless of whether they are publicly traded or not. Starting in financial year 2026 (reporting in 2027), publicly traded SMEs as well as certain small, non-complex credit institutions and captive insurance undertakings are also expected to be subject to the reporting obligations. However, publicly traded SMEs will have an option to make use of a two-year opt-out, with the result that the date of first application can be postponed to financial year 2028 (reporting in 2029). In addition, certain third-country entities will also be required to publish sustainability reports starting in financial year 2028.

To ensure ESRS-compliant reporting by the relevant dates, it is crucial for entities to thoroughly engage with the reporting requirements set out in ESRS, which are at the same time both extensive and granular. In response to the Delegated Act on ESRS Set 1, the ASCG launched a series of Preparer Forums on the ESRS in September 2023 to support entities with ESRS introduction. Challenges and questions regarding the implementation of ESRS and potential solutions are discussed by preparers and auditors of sustainability reports in these Preparer Forums. If appropriate, particularly critical (and so far unresolved) issues are then be submitted to EFRAG (in anonymised form) via its Q&A platform.

The ESRS Preparer Forums resumed in spring 2024 and have continued to be well received. At the kick-off on 6 March 2024, almost 100 participants discussed their experiences and challenges in implementing ESRS. This meeting focused in particular on the definition of the basis of consolidation for the purpose of sustainability reporting, the exempting effect of a consolidated sustainability report in different group structures and the materiality assessment at group level. Following this kick-off event, we organised four further Preparer Forums in 2024, each focusing on a different topic. Topics discussed included the ministerial draft and the government draft act to transpose the CSRD into national law, the reporting obligations of subsidiaries, the materiality of potential impacts on human rights, incorporation by reference, the concept of operational control and a variety of (detailed) questions relating to disclosure requirements on environmental and social topics.

In addition to these regular Preparer Forums, we held an additional Preparer Forum on consolidation issues in sustainability reporting on 29 April 2024. This additional meeting was triggered by existing doubts and emerging discussions in practice around group and consolidation issues. Among other things, the attendees discussed issues relating to the scope of consolidation, subsidiaries that are deemed to be ‘immaterial for the purpose of financial reporting, group structures with small and non-complex institutions as parent companies, and the effects of (intra-period) changes within the group.

We will continue hosting the ESRS Preparer Forums in 2025.

Preparer Forum on IFRS 18 Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* on 9 April 2024. IFRS 18 will in future replace IAS 1 Presentation of Financial Statements and governs in particular presentation and disclosure in the IFRS statement of financial performance by introducing mandatory subtotals and binding disclosure requirements.

Although EU endorsement of IFRS 18 is still pending, the ASCG decided at an early stage to establish another Preparer Forum for the introduction of IFRS 18 in light of the expected implementation challenges and our very good experience with the existing ASCG Preparer Forums.

This Forum serves as a platform for the discussion of experiences and questions arising from the implementation and application of the new standard at German companies.

The Preparer Forum kicked off with a virtual educational event organised jointly with the IASB and EFRAG in October 2024. More than 130 representatives from the preparers, auditors, associations and researchers/educators took part in the event. During the event, the timetable for endorsing IFRS 18 in the EU and the current status of EFRAG’s work on IFRS 18 endorsement were presented. The key elements of IFRS 18 were then outlined.

The event also offered attendees an opportunity to discuss application and implementation issues directly with the standard-setters involved. During the open discussion round, a lively debate ensued on a wide range of issues relating to the implementation of the new standard. In response to requests from the attendees for a timely and in-depth discussion of certain topics – in particular issues that could affect technical implementation of the new standard – the ASCG decided to convene the first Preparer Forum on the introduction of IFRS 18 before the end of 2024.

The first meeting of the Preparer Forum was held as a video and phone conference call in November 2024. Around 80 ASCG member companies from the areas of preparers, auditors and associations attended the meeting, which began with a practical presentation by an ASCG member company on the ERP-based implementation of IFRS 18 as part of an ongoing SAP S4 implementation project. This was followed by an in-depth discussion on a wide range of presentation issues with regard to the new structure of the income statement under IFRS 18.

Further meetings of the IFRS 18 Preparer Forum are also planned 2025. We will closely monitor the implementation phase of IFRS 18 in the Preparer Forum and offer further Preparer Forum meetings as required to allow us to provide our members with a platform for discussing urgent application and implementation issues.

CAO CALLS

We also maintain a direct dialogue with our members by exchanging views with the Chief Accounting Officers (CAOs) of ASCG members that are listed companies. In light of the broader range of potential topics, we adopt a different strategy for our discussions with CAOs: video conference calls in which we address carefully chosen issues of topical interest. We organised two such CAO Calls last year.

In addition to our own standard-setting activities (such as the evaluation of the application of IFRSs in Germany, GAS 20 and a GAS on reporting on intangible resources), we presented and in some cases discussed in these calls all standard-setting activities relating to IFRS financial reporting standards, other topics relating to financial accounting and reporting (e.g. in connection with minimum taxation under the MinStG) and comprehensive developments relating to sustainability reporting (such as transposition of the CSRD into German law, EFRAG exposure drafts and the ASCG's activities in this context).

The ASCG holds these video conference calls in order to inform the companies in a condensed form primarily about issues that are current and require immediate action. Despite – or maybe because of – the flood of information from different directions, the intention is for these calls to provide a focused overview of the corporate reporting issues currently under discussion that are relevant to listed companies as a target group. At the same time, the ASCG asks the companies to provide specific feedback on selected topics or questions. The feedback not only benefits the ASCG, but is also exchanged directly by the participants.

The regular and high level of attendance confirms the unquestionable popularity of this 'institution' and the great success of the video conference call format. We would like to expressly thank all involved for their interest and urge them to keep on providing us with feedback and opinions – for everyone's benefit.

V. Financial Information

FINANCING

The ASCG funds its activities entirely from its membership fees and from royalties, publications and other income. The ASCG may only use income generated by its activities for the purposes Stipulated in its Articles of Association. In this respect, generating a profit is not the primary objective of the Association. Rather, it acts in a non-profit capacity and fulfils its objectives as a professional association for its members. Although it acts in the general economic interest, the ASCG does not receive any public funding for exercising its functions.

In accordance with Article 5 of the Articles of Association, the level of annual membership fees is determined by the General Assembly. From 2025 onwards, the annual membership fees stipulated in the current schedule of fees dated 11 July 2024 are as follows:

Annual Membership Fees EUR	2025	from 2026
Companies (depending on whether and how listed)	11 000 – 55 000	11 500 – 57 500
Audit firms (depending on total audit revenue)	11 000 – 55 000	11 500 – 57 500
Associations	from 22 000	from 23 000
Natural persons	1 100	1 150

ANNUAL FINANCIAL STATEMENTS

Balance Sheet as at 31 December 2024

ASSETS (EUR thou.)	**31/12/2024**	**31/12/2023**
A. Fixed Assets		
I. Tangible Fixed Assets	35	36
	35	36
B. Current Assets		
I. Receivables and Other Assets	114	32
II. Cash, Bank Balances and Cheques	2 500	2 702
	2 614	2 734
C. Prepaid Expenses	2	2
Total Assets	**2 651**	**2 772**

EQUITY AND LIABILITIES (EUR thou.)	**31/12/2024**	**31/12/2023**
A. Equity		
I. Retained Profits Brought Forward	2 301	2 306
II. Net Loss for the Financial Year	-251	-5
	2 050	2 301
B. Provisions		
Other Provisions	383	358
C. Liabilities		
I. Trade Payables	40	1
II. Other Liabilities	148	67
	188	68
C. Deferred Income	30	45
Total Equity and Liabilities	**2 651**	**2 772**

ANNUAL FINANCIAL STATEMENTS

Income Statement for the Year Ended 31 December 2024

(EUR thou.)		**2024**		**2023**
1. Membership Fees		2 562		2 489
2. Collected Contributions to EFRAG		306		400
3. Other Income		101		81
4. Personnel Expenses		-2 058		-1 865
5. Depreciation and Amortisation Expenses		-10		-7
6. Other Expenses		-658		-595
7. Other Interest and Similar Income		31		18
8. Contributions to EFRAG		-525		-525
Collected Contributions to IASB	596		741	
Transferred Contributions to IASB	-596		-741	
9. Result from the Contributions to IASB		0		0
Collected Contributions to ISSB	1 071		1 225	
Transferred Contributions to ISSB	-1 071		-1 226	
10. Result from the Contributions to ISSB		0		-1
11. Net Loss for the Financial Year		**-251**		**-5**

INDEPENDENT AUDITOR'S REPORT

To the Accounting Standards Committee of Germany, Berlin

Opinion

We have audited the annual financial statements of the Accounting Standards Committee of Germany – comprising the balance sheet as at 31 December 2024 and the income statement for the financial year from 1 January to 31 December 2024.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to all merchants.

Pursuant to section 322(3) sentence 1 of the Handelsgesetzbuch (HGB – German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for Opinion

We conducted our audit of the annual financial statements in accordance with section 317 of the HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Our responsibilities under those requirements and principles are further described in the 'Auditor's Responsibilities for the Audit of the Annual Financial Statements' section of our auditor's report. We are independent of the Association in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Responsibilities of Management for the Annual Financial Statements

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to all merchants. In addition, management is responsible for such internal control as it, in accordance with German proper accounting principles, has determined necessary to enable the preparation of annual financial statements that are free from material misstatement due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management is responsible for assessing the Association's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters relating to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict with this.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 of the HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control for the Association.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to be able to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, 31 March 2025

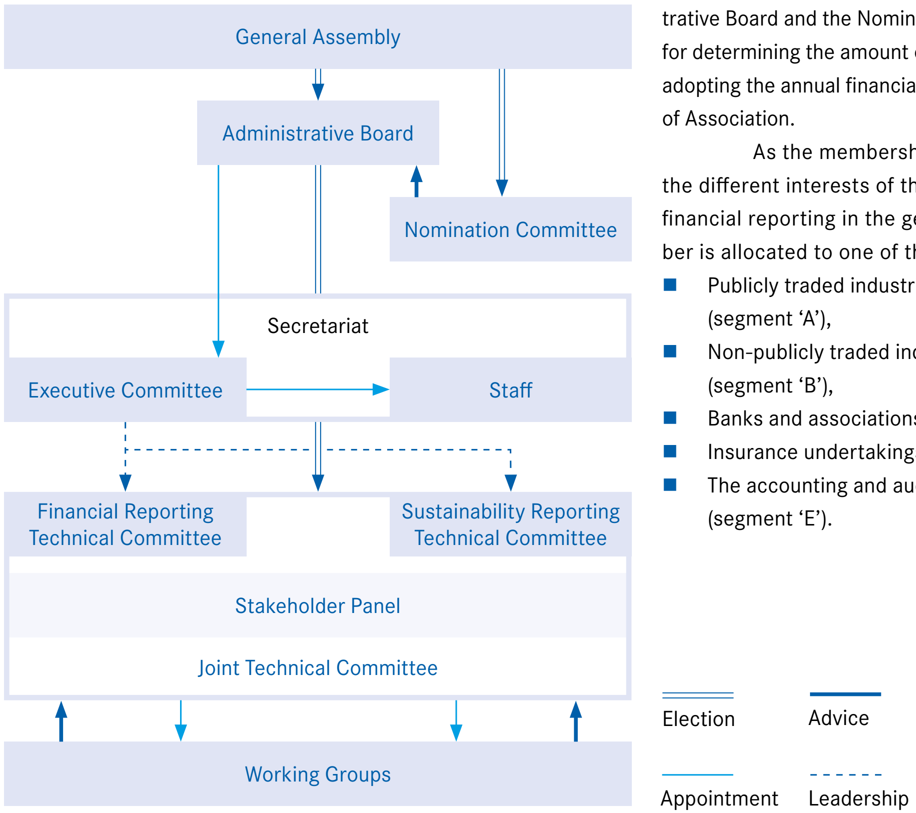
FGS Revisions- und Treuhandgesellschaft mbH
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Berlin branch office

Hoppen
Wirtschaftsprüfer (German public auditor)

Jachtner
Wirtschaftsprüfer (German public auditor)

VI. Governing Bodies and Standing Committees

The ASCG has the following governing bodies and standing committees that control and shape the work of the Association.



GENERAL ASSEMBLY

The General Assembly meets annually. Among other things, it elects, dismisses and approves the actions of the members of the Administrative Board and the Nomination Committee. It is also responsible for determining the amount of the annual fee, the business plan, adopting the annual financial statements, and amending the Articles of Association.

As the membership structure is designed to represent the different interests of the parties involved in accounting and financial reporting in the general economic interest, each member is allocated to one of the following segments:

- Publicly traded industrial entities and associations (segment ‘A’),
- Non-publicly traded industrial entities and associations (segment ‘B’),
- Banks and associations (segment ‘C’),
- Insurance undertakings and associations (segment ‘D’),
- The accounting and auditing profession and associations (segment ‘E’).

ASCG Members (as at 31 December 2024)

Companies and Associations

Aareal Bank AG
Accenture GmbH
adidas AG
Allianz SE
Altana AG
Baker Tilly GmbH & Co. KG
Bansbach GmbH
Barmenia Krankenversicherung AG
BASF SE
Bayer AG
BDO AG
Bertelsmann SE & Co. KGaA
Bilfinger SE
Bayerische Motoren Werke AG
Bundesanzeiger Verlags GmbH
Bundesdruckerei GmbH
Bundesverband der Deutschen Industrie e.V. (BDI)
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. (BVR)
Bundesverband Deutscher Banken e.V.
Bundesverband Öffentlicher Banken Deutschlands, VÖB, e.V.
BWI-Bau GmbH
Commerzbank AG
Continental AG
Covestro AG
Daimler Truck AG
Deloitte GmbH
Deutsche Bahn AG
Deutsche Bank AG
Deutsche Post AG
Deutsche Telekom AG
Deutscher Sparkassen- und Giroverband e.V.
DGRV - Deutscher Genossenschafts- und Raiffeisenverband e.V.
Dornbach GmbH
Drägerwerk AG & Co. KGaA
E.ON SE
EnBW Energie Baden-Württemberg AG
EY GmbH & Co. KG
ETL AG
Evonik Industries AG
firesys GmbH
Forvis Mazars GmbH & Co. KG
Fresenius Medical Care AG & Co. KGaA
Fresenius SE & Co. KGaA
Freudenberg & Co. KG
GEA GROUP AG
Generali Deutschland AG
German Insurance Association GDV
Grant Thornton AG
Henkel AG & Co. KGaA
Hornbach Holding AG & Co. KGaA
Horvath AG
init innovation in traffic systems SE
Infineon Technologies AG
Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)
K+S AG
Klöckner & Co SE
KPMG AG
LANXESS AG
Lucanet AG
Mercedes-Benz Group AG
Merck KGaA
Metro AG
MTU Aero Engines AG
Münchener Rückversicherungs-Gesellschaft AG
Nordex SE
OSRAM Licht AG
Otto GmbH & Co. KG
PKF Deutschland GmbH
Porsche Automobil Holding SE
PricewaterhouseCoopers GmbH
ProSiebenSat.1 Media SE
Renk Group AG
Robert Bosch GmbH
Rödl & Partner GmbH
RSM Ebner Stolz GmbH & Co. KG
RWE AG
SAP SE
Sartorius AG
Schaeffler AG
Schwarz Dienstleistung KG
Siemens AG
Siemens Energy AG
Siemens Healthineers AG
Südzucker AG
Talanx AG
thyssenkrupp AG
Traton SE
TÜV SÜD AG
Vereinigung zur Mitwirkung an der Entwicklung des Bilanzrechts für Familiengesellschaften e.V. (VMEBF)
Volkswagen AG
Vonovia SE
Wintershall Dea AG
Wirtschaftsprüferkammer Körperschaft des öffentlichen Rechts
WTS Advisory AG
ZF Friedrichshafen AG

Individual

Prof. Dr. Edgar Löw, Kriftel/Ts

ADMINISTRATIVE BOARD

The Administrative Board has 20 members who are elected by the General Assembly for a three-year term of office. The Administrative Board defines the principles and guidelines for the work of the association, and in particular of the technical committees and the Executive Committee, taking the general economic interest into account. It elects the members of the technical committees and appoints, advises and supervises the Executive Committee.

Chair

Marco Swoboda
Henkel AG & Co. KGaA

Deputy Chair

Prof. Dr Dieter Truxius
ACCOBIS GmbH & Co. KG

Treasurer

Christian Sailer (WP)
KPMG AG

Members

Bernd-Peter Bier
Bayer AG

Anke Daßler
ista SE

Klaus Eckmann (WP, StB)
BDO AG

Dieter Gahlen (WP)
DGRV – Deutscher Genossenschafts- und Raiffeisenverband e. V.

Walter Mertl
Bayerische Motoren Werke AG

Thomas Messerle
Infineon Technologies AG

Andreas Roeper
Fresenius SE & Co. KGaA

Melanie Sack
Institut der Wirtschaftsprüfer in Deutschland e. V.

Dr Roman Sauer
Allianz SE

Dr Jochen Schmitz
Siemens Healthineers AG

Andrea Schriber
Deutsche Bank AG

Karolin Schriever
Deutscher Sparkassen- und Giroverband e. V.

Dr Christopher Sessar
SAP SE

Götz Treber
German Insurance Association GDV

Dr Jürgen Wagner
Siemens AG

Harald Wilhelm
Mercedes-Benz Group AG

Dr Hilmar Zettler
Bundesverband deutscher Banken e. V.

NOMINATION COMMITTEE

The Nomination Committee comprises nine members who are elected by the General Assembly for a three-year term of office. The Nomination Committee submits proposals to the Administrative Board for the election of the members of the Executive Committee and the technical committees.

Chair

Jonathan Townend
Bayerische Motoren Werke AG

Deputy Chair

Santokh Advani
Marquard & Bahls AG

Members

Prof. Dr Alexander Bassen
University Hamburg

Andreas Dörschell (WP StB)
Wirtschaftsprüferkammer

Prof. Dr Rolf Uwe Fülbier
University of Bayreuth

Prof. Dr Joachim Hennrichs
University of Cologne

Gerhard P. Hofmann
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken

Prof. Dr Joachim Kölschbach
KPMG AG

EXECUTIVE COMMITTEE

The Executive Committee comprises the President and Vice-President. The members of the Executive Committee are elected by the Administrative Board for three years at the proposal of the Nomination Committee. They may be re-elected. The Executive Committee manages the business of the association, represents the association and the technical committees and their work externally, and is the legal representative of the association in accordance with section 26 of the *Bürgerliches Gesetzbuch* (BGB – German Civil Code).

President

Georg Lanfermann (WP, StB)

Vice-President

Prof. Dr Sven Morich (WP, StB)

TECHNICAL COMMITTEES

The technical work of the ASCG is carried out in the Financial Reporting Technical Committee, Sustainability Reporting Technical Committee and the Joint Technical Committee.

The Financial Reporting Technical Committee and Sustainability Reporting Technical Committees each consist of eleven members who have expertise and experience in the field of financial reporting. The Joint Technical Committee consists of the members of both Technical Committees.

The technical committees are responsible for elaborating

- accounting standards within the meaning of section 342 of the HGB,
- interpretations of the international accounting standards within the meaning of section 315e of the HGB,
- comment letters to national and international bodies on accounting and financial reporting issues,
- discussion papers, other comment letters and publications.

Financial Reporting Technical Committee

Chair

Prof. Dr Sven Morich (WP, StB)
Vice-President of the ASCG

Members

Jens Berger
Category: Auditor
Deloitte GmbH

Andreas Bödecker (WP, StB)
Category: Auditor
PricewaterhouseCoopers GmbH

Dr Patrick Bosch
Category: Preparer
Allianz SE

Gero Bothe
Category: Preparer
Deutsche Pfandbriefbank AG

Dr Marco Ebel
Category: Preparer
Siemens AG

Prof. Dr Brigitte Eierle
Category: Academic
Otto-Friedrich-University Bamberg
(until 30 November 2024)

Prof. Dr Corinna Ewelt-Knauer
Category: Academic
Justus-Liebig University of Gießen

Peter Thilo Hasler
Category: Data User
Sphene Capital GmbH
(since 1 August 2024)

Dr Michael Seifert
Category: Preparer
BayWa AG

Cedric von Osterroht (StB)
Category: Preparer
EDEKA Minden-Hannover
Zentralverwaltungsgesellschaft mbH

Birgit Weisschuh (WP, CPA)
Category: Auditor
Ebner Stolz GmbH & Co. KG

Dr Stefan Wich
Category: Preparer
Merck KgaA
(until 30 April 2024)

Sustainability Reporting Technical Committee

Chair

Georg Lanfermann (WP, StB)
President of the ASCG

Members

Nicolette Behncke (WP)
Category: Auditor
PricewaterhouseCoopers GmbH

Carsten Beisheim
Category: Preparer
GvW Graf von Westphalen Rechtsanwälte
Steuerberater Partnerschaft mbB

Martin Bolten
Category: Preparer
NRW.BANK

Tanja Castor
Category: Preparer
BASF SE

Dr Oliver Emons
Category: Data User
Hans-Böckler-Stiftung
(until 31 March 2024)

Prof. Dr Christian Fink
Category: Academic
RheinMain University of Applied Sciences

Prof. Dr Kerstin Lopatta
Category: Academic
Auditing und Sustainability, University Hamburg

Dr Rupini Deepa Sobottka
Category: Data User
Berenberg Wealth & Asset Management

Noura Rhemouga
Category: Preparer
Hochwald Foods GmbH

Dr Lothar Rieth
Category: Preparer
EnBW Energie Baden-Württemberg AG

Dr Werner Rockel
Category: Preparer
Münchener Rückversicherungs-Gesellschaft AG

Alexandra Schädler
Category: Data User
Hans-Böckler-Stiftung,
(since 1 August 2024)

STAKEHOLDER PANEL

At its meeting on April 29, 2024, the Administrative Board of the ASCG decided to set up a Stakeholder Panel. The aim is to involve users of company reports directly in the discussions of the technical committees in an advisory capacity

Members

Gruppe Deutsche Börse
DVFA e. V.

STAFF

The ASCG's staff are highly qualified specialists with backgrounds in industry, research and teaching. They provide technical support to both the IFRS Technical Committee and the German GAAP Technical Committee, and to the German members of international bodies.

Technical Directors

Dr Kati Beiersdorf
beiersdorf@drsc.de

Dr Jan-Velten Große
grosse@drsc.de

Dr Thomas Schmotz
schmotz@drsc.de

Research Director

Kristina Schwedler
schwedler@drsc.de

Project Assistant

Erika Bognár
bognar@drsc.de

Administration/Support

Cornelia Bahrmann *(until 31 August 2024)*

Miriam Dock *(since 1 December 2024)*
dock@drsc.de

Ginger Rodriguez *(until 12 April 2025)*

Project Managers

Olga Bultmann
bultmann@drsc.de

Dr Ilka Canitz
canitz@drsc.de

Dr Rico Chaskel
chaskel@drsc.de

Dr Jan-Robert Kirchner
kirchner@drsc.de

Project Managers

Dr Denny Kutter
kutter@drsc.de

Marco Liepe
liepe@drsc.de

Peter Zimniok
zimniok@drsc.de

▲ Members of the Technical Committees, Executive Committee and ASCG Staff

WORKING GROUPS

For major projects, the technical committees establish working groups to provide technical support, consisting primarily of preparers, auditors and academics. The following working groups are currently active (as at 31 December 2024):

Financial Instruments

Dr Christoph Weber (Chair)	Landesbank Hessen-Thüringen
Dr Alexander Bantz	BASF SE
Mario Bremenkamp	Covestro Deutschland AG
Lothar Demant	Evonik Industries AG
Markus Grieß	Talanx AG
Mattis Hagemann	KfW Bankengruppe
Dr Patrick Kehm	Commerzbank AG
Christian Mertes (WP)	PricewaterhouseCoopers GmbH
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ABBREVIATIONS

AG	*Aktiengesellschaft* (German stock corporation)
ASAF	Accounting Standards Advisory Forum
ASCG	Accounting Standards Committee of Germany
BGB	*Bürgerliches Gesetzbuch* (German Civil Code)
BMF	*Bundesministerium der Finanzen* (Federal Ministry of Finance)
BMJ	*Bundesministerium der Justiz* (Federal Ministry of Justice)
BDI	*Bundesverband der Deutschen Industrie e. V.* (Federation of German Industries)
CAO	Chief Accounting Officer
CbCR	Country-by-Country-Reporting
CPA	Certified Public Accountant
CSRD	Corporate Sustainability Reporting Directive
D-GAAS	Draft German Amendment Accounting Standard
DP	Discussion Paper
Dr	Doctor
ED	Exposure Draft
EFRAG	European Financial Reporting Advisory Group
EC	European Community
ESAP	European Single Access Point
ESEF	European Single Electronic Format
ESG	Environmental, Social, Governance
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standard(s)
e. V.	*Eingetragener Verein* (German registered association)
FASB	Financial Accounting Standards Board
FR	Financial Reporting
GAAP	Generally Accepted Accounting Principles
GAAS(s)	German Amendment Accounting Standard(s)
GAS(s)	German Accounting Standard(s)
GHG	Greenhouse gas
GmbH	*Gesellschaft mit beschränkter Haftung* (German limited liability company)
HGB	*Handelsgesetzbuch* (German Commercial Code)
IAS(s)	International Accounting Standard(s)
IASB	International Accounting Standards Board
IDW	*Institut der Wirtschaftsprüfer in Deutschland e. V.* (Institute of Public Auditors in Germany)
IFASS	International Forum of Accounting Standard Setters
IFRS(s)	International Financial Reporting Standard(s)
IFRS IC	IFRS Interpretations Committee
IG	Implementation Guidance
ISSB	International Sustainability Standards Board
KG	*Kommanditgesellschaft* (German limited partnership)
KGaA	*Kommanditgesellschaft auf Aktien* (German partnership limited by shares)
LLC	Limited Liability Company
LSME	Sustainability Reporting Standard for listed SMEs
MinStAnpG	*Mindeststeueranpassungsgesetz* (Minimum Tax Adjustment Act)
MinStG	*Mindeststeuergesetz* (Minimum Tax Act)
NFRD	Non-financial Reporting Directive
OECD	Organisation for Economic Co-operation and Development
Prof.	Professor
PublG	*Publizitätsgesetz* (German Disclosure Act)
RNE	*Rat für Nachhaltige Entwicklung* (German Council for Sustainable Development)
SASB	Sustainability Accounting Standards Board
SE	Societas Europaea (European company)
SMEs	Small and medium-sized enterprises
SR	Sustainability Reporting
StB	*Steuerberater* (Tax adviser)
TEG	Technical Experts Group
VSME	Voluntary Sustainability Reporting Standard for non-listed SMEs
WP	*Wirtschaftsprüfer* (German public auditor)
WSS	World Standard Setters
XBRL	eXtensible Business Reporting Language
XHTML	Extensible Hypertext Markup Language

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Registered at the Local Court of Berlin-Charlottenburg
Register of Associations number HRB 18526 Nz

Project Management and Editorial

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Design

Kammann Rossi GmbH, Cologne

English Translation

Robin Bonthrone, Premium Financial-Legal Translations, LLC, Bay City, Texas, USA

Photography

Ralf Berndt, Cologne
iStockphoto (pages 11-17)
ASCG

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All information valid as at: 31 March 2025.

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