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EFRAG
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B-1000 Brussels
Belgique

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Berlin, 16 August 2012

Dear Françoise,

**EFRAG's DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS, JOINT ARRANGEMENTS AND
DISCLOSURE OF INTERESTS IN OTHER ENTITIES: TRANSITION GUIDANCE
(AMENDMENTS TO IFRS 10, IFRS 11 AND IFRS 12)**

On behalf of the German IFRS Committee I am writing to comment on EFRAG's Assessment of the Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12).

We agree with the views set out in the assessment. As a national standard-setter we are not in a position to answer the questions regarding the costs that will arise for preparers and for users to implement the amendment. We therefore sent your assessment-form to the DAX30 entities and got feedback from three companies, which indicated that they agree to the assessment made by EFRAG.

As attachments to this letter you will find our comments to the above mentioned assessment as well as those received from the DAX30 entities.

If you have any further questions, please do not hesitate to contact me.

Yours sincerely,

Liesel Knorr

President

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INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS

Comments should be sent to commentletters@efrag.org or
uploaded via our website by 17 August 2012

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)* ('the Amendments'). In order to do that, EFRAG has been carrying out an assessment of the Amendments against the technical criteria for endorsement set out in Regulation (EC) No 1606/2002 and has also been assessing the costs and benefits that would arise from its implementation in the European Union (the EU) and European Economic Area.

A summary of the Amendments is set out in Appendix 1.

Before finalising its two assessments, EFRAG would welcome your views on the issues set out below. Please note that all responses received will be placed on the public record, unless the respondent requests confidentiality. In the interest of transparency EFRAG will wish to discuss the responses it receives in a public meeting, so we would prefer to be able to publish all the responses received.

1 Please provide the following details about yourself:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

Accounting Standards Committee of Germany (ASCG)

- (b) Are you a:

Preparer User Other (please specify)

National Standard Setter

- (c) Please provide a short description of your activity:

See above

- (d) Country where you are located:

Germany

- (e) Contact details including e-mail address:

Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

Liesel Knorr - c/o DRSC e.V.

Zimmerstr. 30; 10969 Berlin

knorr@drsc.de

- 2 EFRAG's initial assessment of the Amendments is that it meets / they meet the technical criteria for endorsement. In other words, it is / they are not contrary to the principle of true and fair view and it meets / they meet the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2.

- (a) Do you agree with this assessment?

Yes No

If you do not, please explain why you do not agree and what you believe the implications of this should be for EFRAG's endorsement advice.

- (b) Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of the Amendments? If there are, what are those issues and why do you believe they are relevant to the evaluation?

none

- 3 EFRAG is also assessing the cost and benefits that are likely to arise for preparers on implementation of the Amendments in the EU, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this Invitation to Comment will be used to complete the assessment.

The results of the initial assessment of costs are set out in paragraphs 58-61 of Appendix 3. To summarise, EFRAG's initial assessment is that the transition relief provided by the Amendments significantly reduces the transitional cost of the preparers to apply IFRS 10, IFRS 11 and IFRS 12.

Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

As a national standard setter we are not in a position to comment on this issue.

- 4 In addition, EFRAG is assessing the cost and benefits that are likely to arise for users from the Amendments. The results of the initial assessment of benefits are set out in paragraphs 67 of Appendix 3. To summarise, EFRAG's initial assessment is that the Amendments will result in some one-off cost for users in the period in which the new standards are first applied. However, these costs are unlikely to be significant.

Do you agree with this assessment?

Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

As a national standard setter we are not in a position to comment on this issue.

- 5 EFRAG's initial assessment is that the benefits to be derived from implementing the Amendments in the EU as described in paragraph 4 above are likely to outweigh the costs involved as described in paragraph 3 above.

Do you agree with this assessment?

Yes No

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As a national standard setter we are not in a position to comment on this issue.

- 6 EFRAG is not aware of any other factors that should be taken into account in reaching a decision as to what endorsement advice it should give the European Commission on the Amendments.

Do you agree that there are no other factors?

Yes No

Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

If you do not agree, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

- 7 In its final endorsement advice letter on IFRS 10 to the European Commission, EFRAG recommended that the mandatory effective date of IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011) to be 1 January 2014, with early adoption permitted. Consistent with EFRAG's recommendation, the Accounting Regulatory Committee voted on 1 June 2012 to recommend endorsement of the standards for adoption with the mandatory effective date of 1 January 2014.

In order to align the mandatory effective date of the Amendments with the effective date of IFRS 10, IFRS 11 and IFRS 12, EFRAG's preliminary recommendation is to defer the mandatory effective date of the Amendments from 1 January 2013 to 1 January 2014, with early adoption permitted.

Do you agree with EFRAG's preliminary recommendation that the Amendments should also be effective in the EU as of 1 January 2014, with early application permitted?

Yes No

If you do not agree with this recommendation, please explain your position?

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Before finalising its two assessments, EFRAG would welcome your views on the issues set out below. Please note that all responses received will be placed on the public record, unless the respondent requests confidentiality. In the interest of transparency EFRAG will wish to discuss the responses it receives in a public meeting, so we would prefer to be able to publish all the responses received.

1 Please provide the following details about yourself:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

Allianz SE

- (b) Are you a:

Preparer User Other (please specify)

- (c) Please provide a short description of your activity:

Insurance, Asset Management, Banking

(d) Country where you are located:

Worldwide with headquarter in Gemany

(e) Contact details including e-mail address:

Dr. Roman Sauer, Head of Group Accounting Policy,
roman.sauer@allianz.com

Thomas Höppel, Group Accounting Policy,
Thomas.hoeppel@allianz.com

2 EFRAG's initial assessment of the Amendments is that it meets / they meet the technical criteria for endorsement. In other words, it is / they are not contrary to the principle of true and fair view and it meets / they meet the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2.

(a) Do you agree with this assessment?

Yes No

If you do not, please explain why you do not agree and what you believe the implications of this should be for EFRAG's endorsement advice.

n/a

(b) Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of the Amendments? If there are, what are those issues and why do you believe they are relevant to the evaluation?

n/a

3 EFRAG is also assessing the cost and benefits that are likely to arise for preparers on implementation of the Amendments in the EU, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this Invitation to Comment will be used to complete the assessment.

The results of the initial assessment of costs are set out in paragraphs 58-61 of Appendix 3. To summarise, EFRAG's initial assessment is that the transition relief provided by the Amendments significantly reduces the transitional cost of the preparers to apply IFRS 10, IFRS 11 and IFRS 12.

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Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

n/a

- 4 In addition, EFRAG is assessing the cost and benefits that are likely to arise for users from the Amendments. The results of the initial assessment of benefits are set out in paragraphs 67 of Appendix 3. To summarise, EFRAG's initial assessment is that the Amendments will result in some one-off cost for users in the period in which the new standards are first applied. However, these costs are unlikely to be significant.

Do you agree with this assessment?

Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

n/a

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Do you agree with this assessment?

Yes No

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n/a

- 6 EFRAG is not aware of any other factors that should be taken into account in reaching a decision as to what endorsement advice it should give the European Commission on the Amendments.

Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

Do you agree that there are no other factors?

Yes

No

If you do not agree, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

n/a

- 7 In its final endorsement advice letter on IFRS 10 to the European Commission, EFRAG recommended that the mandatory effective date of IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011) to be 1 January 2014, with early adoption permitted. Consistent with EFRAG's recommendation, the Accounting Regulatory Committee voted on 1 June 2012 to recommend endorsement of the standards for adoption with the mandatory effective date of 1 January 2014.

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Do you agree with EFRAG's preliminary recommendation that the Amendments should also be effective in the EU as of 1 January 2014, with early application permitted?

Yes

No

If you do not agree with this recommendation, please explain your position?

n/a

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1 Please provide the following details about yourself:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

Gerhard Faupel C/O Beierdorf AG, Hamburg, Germany

- (b) Are you a:

Preparer User Other (please specify)

- (c) Please provide a short description of your activity:

Manager Group Accounting

(d) Country where you are located:

Germany

(e) Contact details including e-mail address:

Phone 00494059095715

Unnastr 48

D- 20245 Hamburg

2 EFRAG's initial assessment of the Amendments is that it meets / they meet the technical criteria for endorsement. In other words, it is / they are not contrary to the principle of true and fair view and it meets / they meet the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2.

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(b) Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of the Amendments? If there are, what are those issues and why do you believe they are relevant to the evaluation?

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Do you agree with this assessment?

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Yes

No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

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Draft endorsement advice on Consolidated financial statements, Joint arrangements and Disclosure of interests in other interests: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

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Yes

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Do you agree with EFRAG's preliminary recommendation that the Amendments should also be effective in the EU as of 1 January 2014, with early application permitted?

Yes

No

If you do not agree with this recommendation, please explain your position?

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1 Please provide the following details about yourself:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

Agata Pohl, Corporate Financial Reporting (CFR)

- (b) Are you a:

Preparer User Other (please specify)

- (c) Please provide a short description of your activity:

CFR: Prepares Annual Report, incl. Notes & Quarterly

(d) Country where you are located:

Germany

(e) Contact details including e-mail address:

Agata.Pohl@sap.com

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(a) Do you agree with this assessment?

Yes

No

If you do not, please explain why you do not agree and what you believe the implications of this should be for EFRAG's endorsement advice.

N/A

(b) Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of the Amendments? If there are, what are those issues and why do you believe they are relevant to the evaluation?

None.

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Do you agree with this assessment?

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Yes

No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

N/A

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Do you agree with this assessment?

Yes

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If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

N/A

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Do you agree with this assessment?

Yes

No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

N/A

- 6 EFRAG is not aware of any other factors that should be taken into account in reaching a decision as to what endorsement advice it should give the European Commission on the Amendments.

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Do you agree that there are no other factors?

Yes

No

If you do not agree, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

N/A

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Do you agree with EFRAG's preliminary recommendation that the Amendments should also be effective in the EU as of 1 January 2014, with early application permitted?

Yes

No

If you do not agree with this recommendation, please explain your position?

N/A
