

Ms Françoise Flores  
Chair of the  
European Financial Reporting Group (EFRAG)  
35 Square de Meeûs  
B-1000 Brussels  
Belgium

Ref  
F 2

Phone extension  
-5430

Date  
20.03.2013

**Invitation to Comment on the Exposure Draft ED/2012/4,  
Classification and Measurement: Limited Amendments to IFRS 9  
(Proposed amendments to IFRS 9 (2010))**

Dear Ms Flores,

As the German Insurance Association we appreciate the opportunity to comment on the Exposure Draft ED/2012/4 "Classification and Measurement: Limited Amendments to IFRS 9", issued by the IASB on 28 November 2012. The proposed introduction of the fair value through other comprehensive income (FV/OCI) category within IFRS 9 is a fundamentally important part of a holistic solution for insurers' accounting. The new category helps to deal with short-term volatility ('market noise') in statements of comprehensive income of long-term oriented insurers. Therefore the GDV strongly supports the proposed amendments.

We would like to express our full support for the intense efforts undertaken by the EFRAG Technical Expert Group (TEG) and both involved working groups (FIWG and IAWG) to reach a common European view on such an important project as 'IFRS 9: Financial Instruments (*replacing IAS 39*)' towards the IASB.

Especially the long-term oriented insurers' business model requires appropriate solutions with respect to the accounting of financial instruments. This Exposure Draft is also highly relevant for successfully completing the insurance contracts project in the near future, where the design of the accounting principles for financial instruments plays an utmost important role.

**Gesamtverband der Deutschen  
Versicherungswirtschaft e. V.**

**German Insurance Association**

Wilhelmstraße 43 / 43 G, D-10117 Berlin  
Phone: +49 30 2020-5000  
Fax: +49 30 2020-6000

51, rue Montoyer  
B - 1000 Brussels  
Phone: +32 2 28247-30  
Fax: +32 2 28247-39

E-Mail: [h.saeglitz@gdv.de](mailto:h.saeglitz@gdv.de)

[www.gdv.de](http://www.gdv.de)

In our view the Board made a very appropriate decision to address the interconnection between the insurance contract project and financial instrument accounting by introducing the business model for the FV/OCI category. The OCI presentation enables insurers to properly reflect their business model in a fully transparent way, especially in connection with the tentative OCI decision for IFRS 4 *Insurance Contracts* (Phase II). The GDV strongly supports the both-side-approach of the IASB relating to the use of OCI presentation in a current measurement environment.

Although we fully acknowledge the narrow scope of the limited Exposure Draft, we would like to ask EFRAG to encourage the IASB to take the opportunity and to reconsider some critical issues of the proposal for financial instruments accounting. Our suggestions are mainly of technical nature and aim to improve the consistency between the financial instruments project and the insurance contracts project in a pragmatic way.

We hope our detailed comments are helpful to the EFRAG TEG in reaching final conclusions on the Exposure Draft ED/2012/4. If you would like to discuss our comments in more detail we would be very delighted.

Yours sincerely,



(Dr. von Fürstenwerth)



(Dr. Wehling)

Encl.