

Comments

EFRAG Research Project: Equity Instruments – Research on Measurement

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The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent approximately 1,700 banks.

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Comments EFRAG Research Project: Equity Instruments – Research on Measurement **Fehler!**
Verweisquelle konnte nicht gefunden werden.

We understand that – as part of its Action Plan on Sustainable Finance – the European Commission has asked EFRAG to explore alternative accounting treatments to the current measurement of long-term investment portfolios of equity and equity-type instruments. We also recognise that, as EFRAG points out in its background paper to this consultation/questionnaire, there are still voices which believe that IFRS 9 may create disincentives to holding equity instruments on a long-term basis and thus may hinder the financing of sustainable projects. It should, however, be borne in mind that EFRAG’s own previous research could not confirm that IFRS 9 would be problematic. In its reply to the European Commission (c.f. EFRAG’s letter of 17/1/2018), EFRAG concludes that the majority of entities do not expect the new accounting requirements to affect their decisions in relation to investment in equity instruments.

Not least for this reason, we see no need at present to discuss the topic of alternative accounting treatments for special long-term investments. Possible adjustments and amendments to IFRS 9 should be explored as part of the forthcoming post-implementation review (PIR) of IFRS 9. We would, in addition, like to reiterate our firm opposition to any exclusively European amendments to IFRS 9 as this would constitute a ‘carve-in’ situation. Deviating from international standards also contradicts the objective of uniform international accounting.¹ If institutions like the European Commission wish to support sustainable finance infrastructure projects, changing accounting rules is not the right solution. It would be better, in our view, to think about setting other incentives (e.g. via taxation policies or guarantees).

¹ Concerning our position on the specific topic of “recycling”, please see GBIC’s comment letter of 24 May 2018.