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Date
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**ED/2014/5: Classification and Measurement of Share-based
Payment Transactions**
- Proposed amendments to IFRS 2 -

Dear Mr Hoogervorst

On behalf of the German Insurance Association (GDV) we welcome the opportunity to comment on the Exposure Draft "Classification and Measurement of Share-based Payment Transactions, Proposed amendments to IFRS 2" (ED/2014/5) as issued by the IASB on 25 November 2014 for public consultation. We acknowledge that the proposed amendments to IFRS 2 "Share-based Payment" are intended to clarify application issues raised by constituents towards the IFRS Interpretations Committee in the past. We understand that the suggested solutions were tentatively approved by the Interpretations Committee in its previous meetings.

We appreciate and support the continuous efforts of the Board to eliminate any potentially arising diversity in practice. As a matter of principle we have the strong view that globally consistent application of IFRS is essential to safeguard a level playing field for all reporting entities applying IFRS and to guarantee the comparability, and hence relevance of information provided by financial statements to users.

We do not provide detailed comments on the specific questions in the ED as we generally agree with the amendments as proposed by the IASB. In particular, we explicitly support the suggested clarification regarding the holistic treatment of share-based payment transactions with net settlement features because of tax law or other regulations (Question 2). To account for such cases in accordance with the requirements that apply to equity-settled share-based payment transactions avoids effectively the undue operational burden which would arise if reporting entities would be obliged to follow the "View 1" (BC10 (a), BC13).

**Gesamtverband der Deutschen
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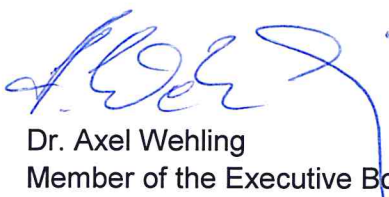
We do not share however the ED's view that this specific amendment would providing an exception to existing principles of IFRS 2; especially when considering the substance of the arrangements under consideration and the matter of fact that from the economic perspective the withholding tax is paid on behalf of the employees.

With regard to clarifications suggested via amendments described in Question 3 we believe that they will provide an explicit and useful clarification on how to account for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. We also think that principles for modification of equity-settled share-based payments should not apply to these circumstances (BC18).

Finally, we fully support the proposal of the IASB that the suggested amendments of the ED should all apply on a **prospective basis**, with retrospective application being allowed (Question 4). We believe that it is indeed 'preferable' for reporting entities to have the possibility to apply the same transition method for all amendments. We also share the view that this would give better information to users (BC23).

If you like to discuss our response in further detail, do not hesitate to contact us.

With best regards



Dr. Axel Wehling
Member of the Executive Board
German Insurance Association



Hans-Juergen Saeglitz
Head of Accounting
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