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Berlin, 13 December 2011

**EFRAG's Assessment of IAS 12 *Deferred Tax: Recovery of Underlying Assets* (as amended in December 2010)**

Dear Françoise,

The German Accounting Standards Board (GASB) appreciates the opportunity to comment on EFRAG's Assessment of IAS 12 *Deferred Tax: Recovery of Underlying Assets* (as amended in December 2010).

We agree with EFRAG's technical assessment of the amended standard regarding the technical criteria for endorsement; that is we support the positive endorsement advice to the European Commission regarding the adoption of IAS 12 *Deferred Tax: Recovery of Underlying Assets* (as amended in December 2010).

This view is supported by the answers that we received from a survey that the GASB carried out with selected companies in Germany. For this purpose we sent your questionnaire to the DAX 30 companies. We received responses from three preparers as a result of the survey, all of whom fully support the EFRAG's technical assessment regarding the amendments.

The GASB, as a standard setter, has not itself evaluated the costs and benefits that are likely to arise for preparers and users through the implementation of the amended standard. However, all four respondents to the survey mentioned above agree with EFRAG's assessment of the costs and benefits that could arise; this means they also support EFRAG's conclusion that the benefits to be derived from applying the amendments will exceed the costs involved.

For your convenience, we have attached the responses that we received as a result of our survey to this letter. Please note that from one response we deleted the name of the respondent based on their wish to remain anonymous to EFRAG.

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

Yours sincerely,

*Liesel Knorr*

President

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Präsidium:

Liesel Knorr (Präsidentin), Dr. Rolf Ulrich (Vizepräsident)

**DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON  
DEFERRED TAX: RECOVERY OF UNDERLYING ASSETS  
(AMENDMENTS TO IAS 12)**

**INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS**

**Comments should be sent to [commentletters@efrag.org](mailto:commentletters@efrag.org) or  
uploaded via our website by 18 December 2011**

EFRAG has been asked by the European Commission to provide it with advice and supporting material on *Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 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.

**EFRAG initial assessments summarised in this questionnaire will be amended to reflect EFRAG's decisions on Appendix 2 and 3.**

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:

German Accounting Standards Board (GASB)

- (b) Are you a:

Preparer  User  Other (please specify)

National Standard Setter

*Amendments to IAS 12 – Invitation to Comment on EFRAG’s Initial Assessments*

(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:

Liesel Knorr - c/o DRSC e.V.

Zimmerstrasse 30; 10969 Berlin

knorr@drsc.de

2 EFRAG’s initial assessment of the Amendments is that they meet the technical criteria for endorsement. In other words, they are not contrary to the principle of true and fair and 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.

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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?

None

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3 EFRAG is also assessing the costs that are likely to arise for preparers and for users 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 are set out in paragraphs 2-10 of Appendix 3. To summarise, EFRAG’s initial assessment is that the Amendments will not significantly affect the costs for preparers and users.

Do you agree with this assessment?

Amendments to IAS 12 – Invitation to Comment on EFRAG’s Initial Assessments

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?

We as a national standard setter are not in a position to  
comment on the cost that will arise for preparers and for  
Users on implementation of the amendment in the EU.

- 4 In addition, EFRAG is assessing the benefits that are likely to be derived from the Amendments. The results of this initial assessment are set in paragraphs 11-14 of Appendix 3. To summarise, EFRAG’s initial assessments is that users are likely to benefit from the Amendments because the information provided is likely to be less subjective and therefore enhance comparability of information. However, as noted in paragraph 14, there are no benefits to users in the rare cases where the Amendments are likely to result in information that is not relevant.

Do you agree with this assessment?

Yes  No

If you do not agree with this assessment, please explain why and please explain what you think the implications should be for EFRAG’s endorsement advice?

We as a national standard setter 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

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

NA – see above.

- 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.

*Amendments to IAS 12 – Invitation to Comment on EFRAG’s Initial Assessments*

Do you agree that there are no other factors?

X Yes

No

If you do not agree, please explain why and please explain what you think the implications should be for EFRAG’s endorsement advice?

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**DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON  
DEFERRED TAX: RECOVERY OF UNDERLYING ASSETS  
(AMENDMENTS TO IAS 12)**

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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.

**EFRAG initial assessments summarised in this questionnaire will be amended to reflect EFRAG's decisions on Appendix 2 and 3.**

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:

Linde AG

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- (b) Are you a:

X Preparer  User  Other (please specify)

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Amendments to IAS 12 – Invitation to Comment on EFRAG’s Initial Assessments

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

Gases and Engineering

(d) Country where you are located:

Germany

(e) Contact details including e-mail address:

Dr. Hans-Dieter Fladung, Petra Achenbach

Klosterhofstrase 1, 80331 Munich

[Hans-dieter.fladung@linde.com](mailto:Hans-dieter.fladung@linde.com), [petra.achenbach@linde.com](mailto:petra.achenbach@linde.com)

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(a) Do you agree with this assessment?

X 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.

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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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3 EFRAG is also assessing the costs that are likely to arise for preparers and for users 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 are set out in paragraphs 2-10 of Appendix 3. To summarise, EFRAG’s initial assessment is that the Amendments will not significantly affect the costs for preparers and users.

Do you agree with this assessment?

X 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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Do you agree with this assessment?

X Yes  No

If you do not agree with this assessment, please explain why and please explain what you think the implications should be for EFRAG’s endorsement advice?

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Do you agree with this assessment?

X Yes  No

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

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- 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.



*Amendments to IAS 12 – Invitation to Comment on EFRAG’s Initial Assessments*

Do you agree that there are no other factors?

X Yes

No

If you do not agree, please explain why and please explain what you think the implications should be for EFRAG’s endorsement advice?

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Deutsche Post DHL

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- (b) Are you a:

Preparer  User  Other (please specify)

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*Amendments to IAS 12 – Invitation to Comment on EFRAG’s Initial Assessments*

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

Mail, Express and Logistics business

(d) Country where you are located:

Germany

(e) Contact details including e-mail address:

Deutsche Post AG

attn: Stephan Rode, SVP Corporate Financial Statements

Charles-de-Gaulle-Str. 20

53113 Bonn

Tel: +49-228-182-62100

E-Mail: stephan.rode@deutschepost.de

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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.

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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?

No

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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?

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Yes                       No

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Do you agree with this assessment?

Yes                       No

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Do you agree that there are no other factors?

Yes

No

If you do not agree, please explain why and please explain what you think the implications should be for EFRAG’s endorsement advice?

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- (b) Are you a:

Preparer  User  Other (please specify)

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

N/A

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(d) Country where you are located:

Germany

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(e) Contact details including e-mail address:

`martin.schloemer@bayer.com`

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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.

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Do you agree with this assessment?

Yes                       No

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*Amendments to IAS 12 – Invitation to Comment on EFRAG’s Initial Assessments*

Do you agree that there are no other factors?

Yes

No

If you do not agree, please explain why and please explain what you think the implications should be for EFRAG’s endorsement advice?

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