

DZ BANK's comments on EFRAG's draft comment letter (dcl) on the draft Due Process Handbook for the IASB and the IFRS IC

From our perspective as a preparer of financial reports some of the positions expressed in the dcl do deserve full support. This is namely true for the general statements on the due process, the demands concerning the procedures of the IFRS IC and the statements on comment periods pointing out that the typical closing periods for financial statements, holliday seasons and the time required by constituents for their own due process must be respected in all cases.

We are, however, critical about some other aspects. In some parts the dcl argues in favour of extending the due process requirements clearly beyond the proposals of the draft Due Process Handbook. This is most of all the case with regard to field testing and the treatment of due process documents. Such an extension of the due process would on the upside enhance transparency and provide additional opportunities for constituents to participate in the standard-setting process. However, on the downside an extensive due process takes much more time than a lean procedure and could therefore delay urgently expected regulations such as IFRS 9 what could add to legal uncertainty.

Furthermore, the possibility to participate implies the willingness and ability to participate. IF, for instance, field testing would be required before each major change of regulation, considerable extra work and effort for preparers would inevitably arise as a consequence. We doubt that - in particular in times of growing capital requirements as currently - the management of entities would easily be prepared to provide the resources required to undertake such extra work and effort.