



WIRTSCHAFTSPRÜFERKAMMER

Körperschaft des
öffentlichen Rechts

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Mr Hans van Damme
Acting Chairman
EFRAG Supervisory Board
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Geschäftsführung

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- please always indicate -

**Request for Comments:
Draft Letter to the IASB on Proposal to enhance IFRS Quality Control**

Dear Mr van Damme,
Dear Ladies and Gentlemen,

WPK is a corporation under public law, whose members are all Wirtschaftsprüfer [German public accountants], vereidigte Buchprüfer [German sworn auditors], Wirtschaftsprüfungsgesellschaften [German public audit firms] and Buchprüfungsgesellschaften [German firms of sworn auditors], in Germany. The WPK is competent for its more than 21,000 members throughout Germany. In this capacity WPK represents the interests of the whole profession in Germany and takes position on topics of particular importance to them – national and international.

Therefore we are very pleased to take this opportunity to comment on the Consultation Paper: Draft Letter to the IASB on Proposal to enhance IFRS Quality Control.

We support the endeavour made by EFRAG to further improve IASB's standard setting process. As the past shows many implementation and (even more) interpretation issues came up after finalization the standards. For this purpose everything should be done to facilitate a consistent and understandable application of the standards worldwide.

At first glance the proposal made by EFRAG seems to be appropriate. But we are not sure if the proposal is suitable to reduce major flaws. There is a contradiction in the draft letter itself. On the one hand you say that "major flaws would not be expected to be identified in this process". On the other hand you say that "jurisdictions would have the comfort that the final standard is ready to be applied without major difficulty". We think that it is not unlikely that major flaws are identified during the implementation phase. In our understanding the usual due process should be followed twice in this case, once before the final publication of a standard before the implementation phase and once after the implementation phase before the publication of the corrected version of the standard. This would mean that a standard should be understood and implemented twice. At the end there is no advantage in inserting a specific implementation phase.

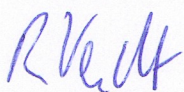
But maybe it is a try and major flaws are identified only in rare cases. But before an implementation phase is adopted there should be clarified some points, e.g. the constitution and the competence of the team, the length of the implementation phase, the classification of major flaws and no major flaws.

Without making an own proposal two points are essential for finding out interpretation and implementation issues, the practical application and the input of the user's side. It is easier to find out the main difficulties in understanding and implementation if you apply a standard practically and not only read its theory. And in our opinion most understanding and implementation issues arise on the user's side, i.e. from the reporting entities and also the auditors. The involvement of these entities plays therefore a crucial role by successfully implementing a new/modified standard.

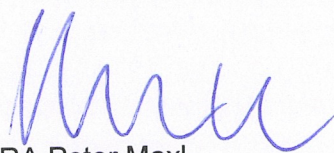
In order to increase acceptability and understandability of IAASB releases (especially for non-English native speakers) we recommend the enhanced use of "plain English" and the avoidance of boilerplate or overloaded wording.

We would like to thank you for the opportunity to comment on the above mentioned consultation paper and hope that you will find our comments useful. We would be delighted to answer any further questions that you may have.

Kind regards



Dr. Reiner Veidt
Executive Director



RA Peter Maxl
Executive Director