



DRSC e. V. • Zimmerstr. 30 • 10969 Berlin

Telefon +49 (0)30 206412-12

Telefax +49 (0)30 206412-15

E-Mail info@drsc.de

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EFRAG
Stig Enevoldsen
35 Square Meeûs
B-1000 Brussels
Belgium

Dear Stig,

EFRAG Draft Comment Letter on IASB Exposure Draft *Income Tax*

On behalf of the German Accounting Standards Board (GASB) I am writing to comment on EFRAG's draft comment letter on the IASB Exposure Draft *Income Tax (ED)*. We appreciate the opportunity to comment on EFRAG's draft comment letter.

Overall, we agree with EFRAG's significant concerns regarding the ED's proposals.

Regarding your questions on pages 19, 23 and 28 of your draft comment letter we have the following comments:

- Your question on page 19 (related to the ED's Question 10): We support the view laid out in (b) as we share the reasoning given in (b). Accordingly, we disagree with the respective proposal of the ED as outlined in more detail in paragraphs B31 and B32 ED.
- Your question on page 23 (related to the ED's Question 13c): We agree entirely with the comment provided by EFRAG.
- Your question on page 28 (related to the ED's Question 18): Although we support retrospective application in principle, with regard to the amendments proposed in the ED we nevertheless prefer a prospective application. This is mainly due to cost benefit considerations, e.g. efforts needed to recalculate the new tax bases, as well as hindsight effects, in particular regarding the determination of valuation allowances and uncertain tax positions. If a retrospective application were required by the IASB, we would request an allocation of catch-up effects within retained earnings.



We will send you for the detailed comments our comment letter to the IASB's Exposure Draft as soon as possible.

If you would like to discuss any aspects of this comment letter in more detail, please do not hesitate to contact me.

Yours sincerely,

Liesel Knorr
President