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Berlin, 15 July 2014

Dear Françoise,

**EFRAG's DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON  
Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint  
Operations**

On behalf of the German IFRS Committee I am writing to comment on EFRAG's Assessment of the Accounting for Acquisitions of Interests in Joint Operations.

We agree with the views set out in the assessment. As a national standard-setter we are not in a position to answer the questions regarding the costs that will arise for preparers and for users to implement the amendment. We therefore sent your assessment-form to the DAX30 entities and got feedback from one entity, which indicated that they agree to the assessment made by EFRAG.

As attachments to this letter you will find our comments to the above mentioned assessment as well as those received from the DAX30 entity.

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

Yours sincerely,

Liesel Knorr  
*President*



European Financial Reporting Advisory Group ■

## DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON AMENDMENTS TO IFRS 11: ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS

### INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS

Comments should be sent to [commentletters@efrag.org](mailto:commentletters@efrag.org) by 16 July 2014

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* ('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.

#### Note to constituents

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* refers to IFRS 9 *Financial Instruments*, which has not yet been endorsed in the EU. These references to IFRS 9 are not addressed in this Draft Endorsement Advice and will be considered together with the related requirements in IFRS 9.

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:

Accounting Standards Committee of Germany (ASCG)

- (b) Are you a:

Preparer  User  Other (please specify)

National Standardsetter

*Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations –  
Invitation to Comment on EFRAG’s Initial Assessments*

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

See above

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(d) Country where you are located:

Germany

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(e) Contact details including e-mail address:

Liesel Knorr - c/o DRSC e.V.

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Zimmerstr. 30; 10969 Berlin

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knorr@drsc.de

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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 view 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 of costs are set out in paragraphs 7 and 11 of Appendix 3. To summarise, EFRAG’s initial assessment is that the Amendments will not significantly affect the costs for users. One-off and ongoing costs will be affected for some preparers in industries where transactions on interests in joint operations are frequently entered into.

*Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations –  
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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?

As a National Standard Setter we are not in a position to  
comment on this issue.

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- 4 In addition, EFRAG is assessing the benefits that are likely to be derived from the Amendments. The results of the initial assessment of benefits are set out in paragraph 17 of Appendix 3. To summarise, EFRAG’s initial assessments is that users and preparers are likely to benefit from the Amendments as the new requirements should enhance consistency of application and increase comparability, in areas where IFRSs were previously silent or contained limited guidance.

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?

As a National Standard Setter we are not in a position to  
comment on this issue.

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- 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?

As a National Standard Setter we are not in a position to  
comment on this issue.

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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 IFRS 11: Accounting for Acquisitions of Interests in Joint Operations –  
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Do you agree that there are no other factors?

Yes

No

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

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European Financial Reporting Advisory Group ■

## DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON AMENDMENTS TO IFRS 11: ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS

### INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS

Comments should be sent to [commentletters@efrag.org](mailto:commentletters@efrag.org) by 16 July 2014

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* ("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.

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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:

DEUTSCHE POST DHL

- (b) Are you a:

Preparer  User  Other (please specify)

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations –  
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(c) Please provide a short description of your activity:

TRANSPORTATION & LOGISTICS

(d) Country where you are located:

GERMANY

(e) Contact details including e-mail address:

CHARLES-DE-GAULLE-STR. 20

53113 BONN / GERMANY

DIRK.BAUKMANN@DPDHL.COM

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 view 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.

(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

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 of costs are set out in paragraphs 7 and 11 of Appendix 3. To summarise, EFRAG's initial assessment is that the Amendments will not significantly affect the costs for users. One-off and ongoing costs will be affected for some preparers in industries where transactions on interests in joint operations are frequently entered into.



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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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- 4 In addition, EFRAG is assessing the benefits that are likely to be derived from the Amendments. The results of the initial assessment of benefits are set out in paragraph 17 of Appendix 3. To summarise, EFRAG's initial assessments is that users and preparers are likely to benefit from the Amendments as the new requirements should enhance consistency of application and increase comparability, in areas where IFRSs were previously silent or contained limited guidance.

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?

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- 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?

WE BELIEVE THAT MAINLY USERS ARE LIKELY TO BENEFIT FROM THE  
OUTCOMES OF THESE AMENDMENTS, WHILE MAINLY PREPARERS  
WOULD BEAR HIGHER COSTS.

- 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.



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Do you agree that there are no other factors?

Yes

No

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

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