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info@drsc.de

EFRAG Françoise Flores 35 Square de Meeûs B-1000 Brussels Belgique

Berlin, 11 July 2013

Dear Françoise,

EFRAG'S DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON **RECOVERABLE AMOUNT DISCLOSURES FOR NON-FINANCIAL ASSETS -AMENDMENTS TO IAS 36**

On behalf of the German IFRS Committee I am writing to comment on EFRAG's Assessment of the Amendments to IAS 36.

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 three companies, 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 entities.

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

Yours sincerely,

Liesel Knorr

President



INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS

Comments should be sent to commentletters@efrag.org by 11 July 2013

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the *Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36* ('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.

(c)

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.

Please provide the following details about yourself:		se 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 Standard Setter

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.	
	Zimmerstr. 30; 10969 Berlin	
	knorr@drsc.de	
crite and	RAG's initial assessment of the Amendments is that they meet the technical eria for endorsement. In other words, they are not contrary to the principle of true fair view and they meet the criteria of understandability, relevance, reliability 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?	
(b)	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	
(b)	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?	

- 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 10 of Appendix 3. To summarise, EFRAG's initial assessment is that the Amendments are likely to result:
 - (a) in some initial one-off costs for preparers related to their implementation and in some ongoing costs of complying with the them that are insignificant; and

in insignificant costs incurred by users to incorporate the new

(b)

16	quilements in their analysis.
Do you agree	with this assessment?
Yes	□No
	please explain why you do not and (if possible) explain broadly what e costs involved will be?
	tional standard setter are not in a position to this issue.
All three of EFRAG's as:	constituents responding to this survey agree with sessment.
Amendments. paragraph 14 users and pre resulting from	FRAG is assessing the benefits that are likely to be derived from the The results of the initial assessment of benefits are set out in of Appendix 3. To summarise, EFRAG's initial assessment is that sparers are likely to benefit from the Amendments, as the information them will increase comparability; furthermore the Amendments are set the costs for preparers in preparing and users in analysing the osures.
Do you agree	with this assessment?
Yes	□No
	agree with this assessment, please provide your arguments and nis should affect EFRAG's endorsement advice?
	tional standard setter are not in a position to this issue.
All three of EFRAG's as:	constituents responding to this survey agree with sessment.
Amendments	al assessment is that the benefits to be derived from implementing the in the EU as described in paragraph 4 above are likely to outweigh lived as described in paragraph 3 above.
Do you agree	with this assessment?
Yes	☐ No
	agree with this assessment, please provide your arguments and his should affect EFRAG's endorsement advice?
	tional standard setter are not in a position to this issue.
All three o	constituents responding to this survey agree with

	sessment.
reaching a dec	t aware of any other factors that should be taken into account in cision as to what endorsement advice it should give the European in the Amendments.
Do you agree t	that there are no other factors?
Yes	⊠ No
	constituents (Volkswagen AG) responding to this
survey stat From our p	
From our p recommend Beside the recoverabl	ces: coint of view there is another strong argument to the endorsement of the amendments: rescission of the requirement to disclose the e amount of cash-generating units for which no
From our p recommend Beside the recoverabl impairment	ces: roint of view there is another strong argument to the endorsement of the amendments: rescission of the requirement to disclose the
From our p recommend Beside the recoverabl impairment additional recoverabl	ces: coint of view there is another strong argument to the endorsement of the amendments: rescission of the requirement to disclose the e amount of cash-generating units for which no is recognised, the amendments do not lead to any
From our precommend Beside the recoverablimpairment additional recoverablithose companother impanother impanother impanother impanisment impanother impano	coint of view there is another strong argument to the endorsement of the amendments: rescission of the requirement to disclose the e amount of cash-generating units for which no is recognised, the amendments do not lead to any disclosures for companies for which the e amount usually is the value in use. In sum, for eanies the amendments only result in reliefs. Exportant aspect lies in the planned timeframe of
From our p recommend Beside the recoverabl impairment additional recoverabl those comp Another im endorsemen	coint of view there is another strong argument to the endorsement of the amendments: rescission of the requirement to disclose the e amount of cash-generating units for which no is recognised, the amendments do not lead to any disclosures for companies for which the e amount usually is the value in use. In sum, for canies the amendments only result in reliefs.
From our precommend Beside the recoverablimpairment additional recoverablithose companother impendorsement apply the of IFRS 13	coint of view there is another strong argument to the endorsement of the amendments: rescission of the requirement to disclose the e amount of cash-generating units for which no is recognised, the amendments do not lead to any disclosures for companies for which the e amount usually is the value in use. In sum, for anies the amendments only result in reliefs. Aportant aspect lies in the planned timeframe of t. It would be most unfortunate to not be able to



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A summary of the Amendments is set out in Appendix 1.

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.

 Your name or, if you are responding on behalf of an organisation its name: Infineon Technologies AG, Neubiberg, Germany (b) Are you a: X Preparer User Other (please specify) (c) Please provide a short description of your activity: 	Plea	Please provide the following details about yourself:		
(b) Are you a: X Preparer □ User □ Other (please specify)	(a)	Your name or, if you are responding on behalf of an organisation or company its name:		
X Preparer User Other (please specify)		Infineon Technologies AG, Neubiberg, Germany		
(c) Please provide a short description of your activity:	(b)			
	(c)	Please provide a short description of your activity:		

(d)	Country where you are located:
	Germany
(e)	Contact details including e-mail address: Alexander Foltin Am Campeon 1-12
	85579 Neubiberg
	Phone: +49 (89) 234 23766 Email: alexander.foltin@infineon.com
EFF	RAG's initial assessment of the Amendments is that they meet the tech
crite and	eria for endorsement. In other words, they are not contrary to the principle of fair view and they meet the criteria of understandability, relevance, relia comparability. EFRAG's reasoning is set out in Appendix 2. Do you agree with this assessment? X Yes
crite and and (a)	eria for endorsement. In other words, they are not contrary to the principle of fair view and they meet the criteria of understandability, relevance, relia comparability. EFRAG's reasoning is set out in Appendix 2. Do you agree with this assessment? X Yes
crite and and	eria for endorsement. In other words, they are not contrary to the principle of fair view and they meet the criteria of understandability, relevance, relia comparability. EFRAG's reasoning is set out in Appendix 2. Do you agree with this assessment? X Yes

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.

4	The results of the initial assessment of costs are set out in paragraphs 7 and 10 of Appendix 3. To summarise, EFRAG's initial assessment is that the Amendments are likely to result:				
	(a)	in some initial one-off costs for preparers related to their implementation and in some ongoing costs of complying with the them that are insignificant; and			
	(b)	in insignificant costs incurred by users to incorporate the new requirements in their analysis.			
	Do you ag	ree with this assessment?			
	X Yes	□ No			
		not, please explain why you do not and (if possible) explain broadly what e the costs involved will be?			
5	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 14 of Appendix 3. To summarise, EFRAG's initial assessment is that users and preparers are likely to benefit from the Amendments, as the information resulting from them will increase comparability; furthermore the Amendments are likely to reduce the costs for preparers in preparing and users in analysing the required disclosures.				
	Do you ag	ree with this assessment?			
	X Yes	□ No			
		not agree with this assessment, please provide your arguments and w this should affect EFRAG's endorsement advice?			
6	Amendme	nitial assessment is that the benefits to be derived from implementing the nts in the EU as described in paragraph 4 above are likely to outweigh nvolved as described in paragraph 3 above.			

Do you agree	with this assessment?
X Yes	□ No
	agree with this assessment, please provide your arguments and is should affect EFRAG's endorsement advice?
reaching a d	t aware of any other factors that should be taken into account cision as to what endorsement advice it should give the European the Amendments.
Do you agree	that there are no other factors?
X Yes	□ No
	agree, please provide your arguments and indicate how this shous endorsement advice?



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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.

Plea	se provide the following details about yourself:
(a)	Your name or, if you are responding on behalf of an organisation or company, its name:
	The Linde Group
	Dr. Hans Dieter Fladung - Head of IFRS Compentence Centre & External Reporting
	Dr. Christian Steiner
(b)	Are you a:
	X Preparer User Other (please specify)
(c)	Please provide a short description of your activity:

	The Linde Group is a world-leading gases and engineering company with approximately 62,000 employees working in more than 100 countries worldwide.
	The IFRS Competence Centre and External Reporting is a world-wide global support function of The Linde Group assisting the subsidiaries in accounting and accounting related problems.
(d)	Country where you are located:
	Germany (HQ)
(e)	Contact details including e-mail address:
	Dr. Hans-Dieter Fladung
	Klosterhofstr. 1, 80331 München
	hans-dieter.fladung@linde.com
	Christian Steiner
	Klosterhofstr. 1, 80331 München
	Christian.steiner@linde.com
crite and	AG's initial assessment of the Amendments is that they meet the technical ria for endorsement. In other words, they are not contrary to the principle of true fair view and they meet the criteria of understandability, relevance, reliability comparability. EFRAG's reasoning is set out in Appendix 2.
(a)	Do you agree with this assessment?
	X Yes
	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?
	none

2

	Amount Disclosures for Non-Financial Assets - Amendments to IAS 36 Invitation to Comment on EFRAG's Initial Assessments
users on i subsequer	also assessing the costs that are likely to arise for preparers and implementation of the Amendments in the EU, both in year one and it years. Some initial work has been carried out, and the responses on to Comment will be used to complete the assessment.
	s of the initial assessment of costs are set out in paragraphs 7 and 103. To summarise, EFRAG's initial assessment is that the Amendme or result:
(a)	in some initial one-off costs for preparers related to their implementat and in some ongoing costs of complying with the them that insignificant; and
(b)	in insignificant costs incurred by users to incorporate the requirements in their analysis.
Do you ag	ree with this assessment?
X Yes	□ No
Amendmend paragraph users and resulting from	, EFRAG is assessing the benefits that are likely to be derived from ints. The results of the initial assessment of benefits are set out 14 of Appendix 3. To summarise, EFRAG's initial assessment is the preparers are likely to benefit from the Amendments, as the information them will increase comparability; furthermore the Amendments reduce the costs for preparers in preparing and users in analysing isclosures.
Do you ag	ree with this assessment?
	□No
X Yes	
If you do	not agree with this assessment, please provide your arguments by this should affect EFRAG's endorsement advice?

6

indicate how this should affect EFRAG's endorsement advice? EFRAG is not aware of any other factors that should be taken into account	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 outweighthe costs involved as described in paragraph 3 above.					
If you do not agree with this assessment, please provide your arguments a indicate how this should affect EFRAG's endorsement advice? EFRAG is not aware of any other factors that should be taken into account reaching a decision as to what endorsement advice it should give the Europe Commission on the Amendments. Do you agree that there are no other factors? X Yes	Do you agree	with this assessment?				
EFRAG is not aware of any other factors that should be taken into account reaching a decision as to what endorsement advice it should give the Europe Commission on the Amendments. Do you agree that there are no other factors? X Yes	X Yes	☐ No				
reaching a decision as to what endorsement advice it should give the Europe Commission on the Amendments. Do you agree that there are no other factors? X Yes		f you do not agree with this assessment, please provide your arguments and ndicate how this should affect EFRAG's endorsement advice?				
reaching a decision as to what endorsement advice it should give the Europe Commission on the Amendments. Do you agree that there are no other factors? X Yes						
X Yes	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.					
If you do not agree, please provide your arguments and indicate how this show	Do you agree	that there are no other factors?				
If you do not agree, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?	X Yes	☐ No				
	If you do not affect EFRAG	agree, please provide your arguments and indicate how this shou 's endorsement advice?				



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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.

Plea	se provide the following details about yourself:					
(a)	Your name or, if you are responding on behalf of an organisation or company, its name:					
	Dr. Ingrun-Ulla Bartölke, Head of group accounting, Volkswagen AG					
(b)	Are you a:					
	□ Preparer □ User □ Other (please specify)					
(c)	Please provide a short description of your activity:					

The Volkswagen Group is one of the world's leading automobile manufacturers and the biggest carmaker in Europe. Our parent company, the VOLKSWAGEN AG is located in Wolfsburg, Germany. The group currently operates 100 production plants in Europe, the Americas, Asia and Africa. Around the world over 550,000 employees produce more than 37,000 vehicles or are involved in vehicle-related services each working day. The Volkswagen Group sells its vehicles in more than 153 countries. With our 100%-owned subsidiary Volkswagen Financial Services AG we are also the largest automobile financial services provider in Europe. As of December 31, 2012, our total balance sheet amounts to EUR 309,644 million and our sales revenue amounts to EUR 192,676 million.

	sales revenue amounts to EUR 192,676 million.
(d)	Country where you are located:
	Wolfsburg, Germany
(e)	Contact details including e-mail address:
	Dr. Ingrun-Ulla Bartölke Head of Group Accounting VOLKSWAGEN AG
	D-38436 Wolfsburg ingrun-ulla.bartoelke@volkswagen.de
and and	eria for endorsement. In other words, they are not contrary to the principle of tru I fair view and they meet the criteria of understandability, relevance, reliability I 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 th implications of this should be for EFRAG's endorsement advice.
	-
(b)	Are there any issues that are not mentioned in Appendix 2 that you believ EFRAG should take into account in its technical evaluation of the Amendments? If there are, what are those issues and why do you believe the are relevant to the evaluation?
	-

	rable A	Invitation to Comment on EFRAG's Initial Assessments
user	s on i	also assessing the costs that are likely to arise for preparers and for implementation of the Amendments in the EU, both in year one and int years. Some initial work has been carried out, and the responses to
		ion to Comment will be used to complete the assessment.
Appe	endix (s of the initial assessment of costs are set out in paragraphs 7 and 10 of 3. To summarise, EFRAG's initial assessment is that the Amendment o result:
	(a)	in some initial one-off costs for preparers related to their implementation and in some ongoing costs of complying with the them that an insignificant; and
	(b)	in insignificant costs incurred by users to incorporate the nerequirements in their analysis.
Do y	∕ou ag	ree with this assessment?
⊠ Y	'es	□ No
_		
ln o		
Ame para user resu likely	igraph s and ilting fi y to re	nts. The results of the initial assessment of benefits are set out in 14 of Appendix 3. To summarise, EFRAG's initial assessment is the preparers are likely to benefit from the Amendments, as the information them will increase comparability; furthermore the Amendments are
Ame para user resu likely requ	graph s and Ilting for y to re iired di	n, EFRAG is assessing the benefits that are likely to be derived from the nts. The results of the initial assessment of benefits are set out in 14 of Appendix 3. To summarise, EFRAG's initial assessment is the preparers are likely to benefit from the Amendments, as the information rom them will increase comparability; furthermore the Amendments are educed the costs for preparers in preparing and users in analysing the isclosures. The results of the initial assessment is that are likely to be derived from the number of the preparers are likely to benefits are set out in 14 of Appendix 3. To summarise, EFRAG's initial assessment is that are likely to be derived from the number of the initial assessment is that are likely to be derived from the number of the initial assessment is that are likely to be derived from the number of the initial assessment is that are likely to be derived from the number of the initial assessment is that are likely to be derived from the number of the initial assessment is the number of the number
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Ame para user resu likely requ	igraph is and ilting fi y to re iired di you ag 'es ou do	nts. The results of the initial assessment of benefits are set out if 14 of Appendix 3. To summarise, EFRAG's initial assessment is the preparers are likely to benefit from the Amendments, as the information them will increase comparability; furthermore the Amendments are educe the costs for preparers in preparing and users in analysing the isclosures. The results of the initial assessment of benefits are set out if the preparers are likely to benefits and users in analysing the isclosures.

6

EFRAG's initial assessment is that the benefits to be derived from implementing the

Do you agree	with this assessment?
⊠ Yes	□ No
	agree with this assessment, please provide your arguments and is should affect EFRAG's endorsement advice?
reaching a de	t aware of any other factors that should be taken into account in cision as to what endorsement advice it should give the Europear in the Amendments.
Do you agree t	that there are no other factors?
Yes	⊠ No
	agree, please provide your arguments and indicate how this should sendorsement advice?
	oint of view there is another strong argument to the endorsement of the amendments:
recommend the Beside the recoverable impairment additional recoverable	the endorsement of the amendments: rescission of the requirement to disclose the amount of cash-generating units for which not is recognised, the amendments do not lead to any