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Berlin, 15 July 2016

Dear Wayne,

IFRS IC's (tentative) agenda decisions in its May 2016 meeting

On behalf of the Accounting Standards Committee of Germany (ASCG), I am writing to comment on the tentative agenda decisions and on one (final) agenda decision, taken by the IFRS Interpretations Committee (IFRS IC) and as published in the May 2016 *IFRIC Update*. Please find our detailed comments in the appendix to this letter.

If you would like to discuss our views further, please do not hesitate to contact Jan-Velten Große (grosse@drsc.de) or me.

Yours sincerely,

Andreas Barckow
President

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Appendix B – Comments on (final) agenda decisions

IFRS 9 / IAS 39 – Derecognition of modified financial assets

We continue to disagree, and flag our disappointment, with the decision not to take the issue onto the agenda, as the issue is seen frequently and is of high importance to practice (esp. in times where several economies around the globe are experiencing levels of increased significant difficulty, resulting in modifications becoming more frequent). Whilst we take note of the limited mandate of the IFRS IC leading to this decision, we believe that a decision to acknowledge the significance of the issue yet doing nothing is, again, neither appropriate nor responsive to concerns of the organisation's stakeholders.

As we see it, the issue should be taken up by the IFRS IC, with a robust mandate by the IASB, and should lead to an interpretation to the standard(s). This would effectively contribute to fostering consistent application of the standard(s), especially for IFRS 9, which entities are in the process of implementing now (so they could get it right in the first place rather than having to change afterwards).