

ZENTRALER KREDITAUSCHUSS

MITGLIEDER: BUNDESVERBAND DER DEUTSCHEN VOLKSBANKEN UND RAIFFEISENBANKEN E.V. BERLIN • BUNDESVERBAND DEUTSCHER BANKEN E.V. BERLIN
BUNDESVERBAND ÖFFENTLICHER BANKEN DEUTSCHLANDS E.V. BERLIN • DEUTSCHER SPARKASSEN- UND GIROVERBAND E.V. BERLIN-BONN
VERBAND DEUTSCHER HYPOTHEKENBANKEN E.V. BERLIN

Mr Fabrice Demarigny
Secretary General
Committee of European Securities Regulators
(CESR)
11-13 avenue de Friedland
F-75008 Paris

10785 Berlin, 20 November 2003
Schellingstraße 4
Tel.: +49-30/20 21 – 2411
Fax: +49-30/20 21 – 192400
FSt/pf

Consultation Paper: European Regulation on the application of IFRS in 2005 – Draft recommendation for additional guidance regarding the transition to IFRS

Dear Mr Demarigny,

we would like to thank you for the present opportunity to submit comments on the proposed “Draft recommendation for additional guidance regarding the transition to IFRS“. We agree with CESR that the transition to the IAS/IFRS accounting standards as of 2005 not only presents a formidable challenge to those companies performing the changeover but also for other players in the capital markets such as investors and analysts. Furthermore, this also gives rise to the need to ensure that the created provisions safeguard a smooth transition and comparability between statements.

Yet, we feel that this need is already met by the IFRS 1 “First-time adoption of international financial reporting standards“. Hence, we see no need for the stipulation of additional parallel provisions over and above the IFRS. The implementation of IAS/IFRS should rather be discussed during the standard setting process of the IASB and its comprehensive regulation should be limited to the IAS/IFRS.

In addition to this, it is our understanding that nothing will change concerning the window of time envisaged in the Regulation EC No. 1606/2002 of the European Parliament and of

the Council pursuant to which certain companies will only need to apply the new standards as of the financial year which begins in 2007.

We would like to share the following specific comments on the proposed information obligations:

Publication of 2003 and 2004 financial statements

We feel that the introduction of a detailed explanatory obligation regarding the planned transition to IAS/IFRS as early as for the financial statements 2003 and 2004 would be premature. The information should therefore only state the intention to switch and the envisaged date for switching. Far from informing them, readers of annual statements would be rather confused by explanations of forecasts concerning expected variances in individual balance sheet items. Furthermore, it should not be the task of an annual statement to provide a textbook explanation of general differences between individual accounting systems.

2005 Interim Information

The dates for the first-time adoption of IAS/IFRS will be fixed in Regulation (EC) No 1606/2002 of the European Parliament and of the Council from July 2002. The first-time preparation of the annual statement under IAS/IFRS rules shall be based on IFRS 1. IFRS 1 also contains provisions for interim reporting, so that there will be no need for any more comprehensive interpretation.

Publication of 2005 financial statements

We share the view that, in terms of quantity, the scope and content of the transition information are determined on the basis of the IFRS 1 provisions. We advocate in favour of attaching this information in the annex or in the management report.

Comparative information presented for the corresponding preceding period(s)

We welcome the recommendation to waive the need for a presentation of the 2003 annual statement pursuant to IAS/IFRS when there are national provisions requiring the publication of the annual statements on three subsequent fiscal years

Please feel free to contact us should you see the need for a more in-depth discussion of these matters.

Yours sincerely,
For and on behalf of the Zentraler Kreditausschuss
Bundesverband der Deutschen
Volksbanken und Raiffeisenbanken e.V.



(Lehnhoff)



(Steinlein)