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International Financial Reporting  
Interpretations Committee (IFRIC)  
Mr Robert Garnett  
30 Cannon Street  
London EC4M 6XH

Berlin, 14. Dezember 2009

United Kingdom

Dear Bob

**Comment Letter on IFRIC's Agenda Decisions on IAS 27 *Consolidated and Separate Financial Statements***

- Combined financial statements and redefining the reporting entity, **and**
- Presentation of comparatives when applying the 'pooling of interests' method

**published in November 2009**

During its meeting in November 2009 the IFRIC discussed several issues which amongst others included the question on how to account for transactions under common control.

The first issue related to whether a reporting entity has the ability in accordance with IFRS to present financial statements that include a selection of entities that are under common control, rather than being restricted to a parent / subsidiary relationship as defined in IAS 27. The second issue related to a request for guidance on the ability in accordance with IFRS for a reporting entity to be redefined to exclude from comparative periods entities / businesses that have been carved out of a group. With regard to the presentation of comparatives when applying the 'pooling of interests' method, the third issue discussed referred to business combinations between entities under common control when preparing financial statements in accordance with IFRS.

IFRIC proposed not adding these issues to its agenda. One of the main reasons brought forward for this decision was that the Board in December 2007 added a project to its research agenda to examine the definition of common control and the methods of accounting for business combinations under common control in the acquirer's consolidated and separate financial statement.



We acknowledge that the IFRIC in line with its Due Process Handbook has to assess proposed agenda items against defined criteria, one of which is stated in para. 24 (f) as follows:

- (f) If the issue relates to a current or planned IASB project, there is a pressing need to provide guidance sooner than would be expected from the IASB's activities. The IFRIC will not add an item to its agenda if an IASB project is expected to resolve the issue in a shorter period than the IFRIC requires to complete its due process.

Apparently, and as described above, the IFRIC is of the opinion that the IASB's 'common control' project is expected to resolve the issue in a shorter period than the IFRIC would require completing its due process. We have serious concerns that this may be true, considering that the common control project in the current IASB Work Plan (projected timetable as at 6 November 2009) lays out that

**'Common control** was added to the agenda in December 2007. Work will begin when staff working on projects related to the financial crisis become available.'

Considering that a project being dealt with by the Board usually takes a few years from being taken onto to the active agenda to issuing an IFRS and thus being completed, it appears to be obvious that IFRIC would be in a position to respond to the pressing needs of the reporting entities much sooner than would be expected from the IASB's activities. According to our observations it usually takes the IFRIC only up to 18 months to issue an Interpretation.

Therefore we strongly encourage the IFRIC to take the issue onto its agenda and provide the reporting entities with an adequate interpretation on the issues as laid out above.

If you would like further clarification of the issue set out in this letter, please do not hesitate to contact me.

With best regards

*Guido Fladt*  
AIC, Chairman