

Stellungnahmen Stellungnahme ZKA zu "ED/ 2011/1 - Offsetting Financial Assets and Financial Liabilities"

28. April 2011

We welcome the intention of the IASB and the FASB to achieve convergence of the requirements for offsetting financial assets and financial liabilities. This will eliminate the largest quantitative differences in amounts presented in balance sheets prepared in accordance with IFRSs and those prepared in accordance with US GAAP. We understand the proposal that financial assets and financial liabilities should be offset if they are subject to an unconditional right of set-off. In view of the in our opinion existing conceptual inconsistencies between the required balance sheet and note information we wish to expressly point out at this stage that we regard the general exclusion of offsetting where an entity has a conditional and legally enforceable right of set-off as inappropriate. With respect to this issue, we would have supported an approach that goes more in the direction of existing offsetting requirements that allow net presentation for bilateral transactions executed under a master netting agreement such as that issued by ISDA. It is our view that derivatives transacted under master netting agreements should be reported net in the balance sheet, as they are in most cases fully collateralised to mitigate credit and liquidity risk.

We support in principle – also in view of the reasonable adjustment effort involved for IFRS users – the intention of the boards to largely retain the provisions of IAS 32. Even though the boards deny this, we have the impression, however, that the present proposals are more restrictive than the existing IAS 32 rules in some cases. The interpretation of the term “simultaneously” is an example. Whilst the term is not defined further in IAS 32, this is the case in the ED, thus making it more restrictive than in current practice. [...]