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Book Review:

Fachwörterbuch der Rechnungslegung nach IAS/IFRS und HGB—Dictionary of Accounting and Financial Reporting (IAS/IFRS and German GAAP)

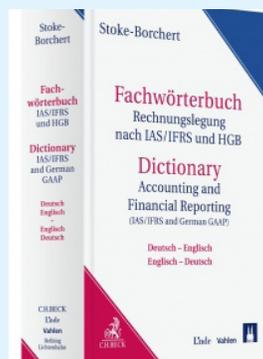
By Robin Bonthron

It's been a while since we were able to celebrate an entirely new De-En (and this case, also En-De) dictionary, as opposed to an update to an existing dictionary. This one in particular is uniquely outstanding: *Fachwörterbuch der Rechnungslegung nach IAS/IFRS und HGB—Dictionary of Accounting and Financial Reporting (IAS/IFRS and German GAAP)* by our widely admired colleague and fellow GLD member Bettina Stoke-Borchert. The dictionary covers International Financial Reporting Standards (IFRSs), including the older International Accounting Standards (IASs), and German Generally Accepted Accounting Principles (GAAP), including German Accounting Standards (GASs).

When I first started translating accounting texts back in the early 1990s, the only specialized dictionary on the market was the *Fachwörterbuch Rechnungslegung—Professional Dictionary Accounting* by one of the “Big Five” accounting firms of the time, published by Schäffer-Poeschel Verlag. We simply

didn't know then how unreliable this dictionary was, and even the most recent version (2008) contains such “gems” as *Abschreibung, planmäßig—regular/normal depreciation, Abschreibung auf Vermögensgegenstände des Umlaufvermögens—amortization and depreciation of current assets* (current assets are never depreciated or amortized). Fortunately, Bettina Stoke-Borchert's dictionary doesn't make such basic mistakes.

There were also general financial dictionaries on the market, such as Schäfer's *Wirtschaftswörterbuch* and Eichborn's *Wirtschaftswörterbuch*. And I don't suppose there are many people who bought Dietl's (now Dietl/Lorenz's) *Wörterbuch Recht und Wirtschaft* (also from C.H. Beck) or Romain's (now Romain/Bader/Byrd) *Wörterbuch der Rechts- und Wirtschaftssprache* (C.H. Beck again!) for their business and finance entries, as opposed to legal terminology. Dietl, for example, repeats the same mistake as the *Fachwörterbuch Rechnungslegung*



Title: *Fachwörterbuch der Rechnungslegung nach IAS/IFRS und HGB—Dictionary of Accounting and Financial Reporting (IAS/IFRS and German GAAP)*

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Helbing Lichtenhahn: ISBN 978 3 7190 4121 2

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Unilex edition by Acolada: acolada.de/en/dictionaries/dictionary-of-accounting-and-financial-reporting-ias-ifs-and-german-gaap/

“Anybody who translates financial accounting and reporting texts from German to English or vice-versa, or who otherwise needs translations of accounting terms from one language into the other, will treasure this dictionary.”

for the English translation of *planmäßige Abschreibung*. Oops.

Around the turn of the millennium, various editions of Uwe Woywode’s *Wörterbuch Rechnungslegung und Steuern—Accounting and Tax Dictionary* were published in the German-speaking countries. The dictionary was (and continues to be) very useful for bookkeeping—the underlying building blocks of accounting—and taxation (or at least the tax terms in existence when it was published), but it was generally unreliable when it came to financial accounting and reporting.

That, then, has been the situation for the past twenty years or so. I had already authored a very slim dictionary about the launch of the euro, and I had thought about compiling an accounting and reporting dictionary myself, but somehow never found the time and/or motivation. All the more reason, therefore, to extend my personal congratulations and admiration to Bettina Stoke-Borchert, who has spent a large part of the last few years researching and compiling this outstanding reference work, and to C.H. Beck Verlag, which evidently recognized the importance of such a resource. Anybody who translates financial accounting and reporting texts from German to English or vice-versa, or who otherwise needs translations of accounting terms from one language into the other, will treasure this dictionary.

The *Fachwörterbuch der Rechnungslegung nach IAS/IFRS und HGB—Dictionary of Accounting and Financial Reporting (IAS/IFRS and German GAAP)* is available in two versions: print and electronic. The electronic version is published by Acolada (priced at €232.71) and can be opened in Unilex, the familiar Acolada dictionary interface, or in BeckLex Pro, which appears to be a proprietary version of Unilex. However, as the print version is the primary edition on which the electronic version is based, all comments below refer to the print version.

The print dictionary is published by C.H. Beck in Germany (priced at €189), Linde in Austria, and Helbing Lichtenhahn in Switzerland. It is also available as an e-book from Vahlen. The print version weighs an impressive 3.3 lbs/1.46 kg and extends to 810 pages, including appendices and sources, and certainly appears to live up to its claim of providing *umfassende Fachterminologie*. My own very rough estimate is that there are some 30,000 to 35,000 German terms overall in the field of financial accounting and terminology, and this dictionary contains a large number of them.¹ Many of the entries are accompanied by comprehensive definitions and additional information, making the dictionary much, much more than a mere list of terms and adding much to the value of this resource.

¹ This includes at least 5,000 terms for general bookkeeping and accounting-related taxation (which are well served by Woywode) and an estimated 10,000 or so terms for German GAAP, including GASs.

The following graphic shows examples of the lexicographical information contained in the dictionary²:

<p>Wörterbucheintrag/Haupteintrag Headword</p> <p>Fachgebiet Subject field</p> <p>Übersetzung Translation</p> <p>Zusammengesetzter Begriff mit dem Haupteintrag als Grundwort Composite term based on headword</p> <p>Sprachraum Language variety</p> <p>Phrase mit dem Haupteintrag in der Mitte oder am Ende Phrase with headword in mid-position or at end</p> <p>Zusammengesetzter Begriff mit dem Haupteintrag vorangestellt Composite term prefixed with headword</p> <p>Kontext Context</p> <p>Infokasten Information box</p> <p>Quellenangabe des Infokastens Information box source</p> <p>Angabe des relevanten Standards Relevant standard</p>	<p>aktiver Unterschiedsbetrag aus der Vermögensverrechnung HGB (§ 266 HGB-Bilanz) excess of plan assets over pension liability, excess of plan assets over post-employment benefit liability; ~ aus Währungsumrechnung foreign currency translation difference (debit balance); technischer ~ DRS/GAS 8, 23 technical positive (consolidation) difference Ein technischer aktiver Unterschiedsbetrag entsteht aufgrund von Verlusten, die zwischen Erwerbs- und Erstkonsolidierungszeitpunkt (§ 301 Abs. 2 Satz 3, 4 HGB) aufgelaufen sind.^{A56}</p> <p>Aktiva HGB assets. Aktiva, Bilanz- ~ balance sheet assets; Handels- trading assets; kumulierte ~ combined assets; Rückversicherungs- reinsurance assets; sonstige ~ other assets; Summe ~ (auch: Summe Vermögenswerte, Bilanzsumme) total assets.</p> <p>Aktiva und Passiva allg. assets and liabilities</p> <p>aktivierbar eligible for capitalisation.</p> <p>aktivieren capitalise (brE)/capitalize (amE); (i. S.v. ansetzen, ausweisen, bilanzieren, erfassen) recognise (brE)/recognize (amE).</p> <p>aktivierte, andere ~ Einzelleistungen HGB (§ 275 HGB GuV) other own work capitalised; Ausgleichsposten für ~ eigene Anteile special reserve for capitalised own shares.</p> <p>aktivierte Entwicklungsausgaben capitalised development expenditure; ~ Entwicklungskosten capitalised development costs; ~ Zinsen für Fremdkapital capitalised interest for debt-equivalent capital.</p> <p>Aktivierung 1. (i. S.v. Erfassung in der Bilanz) capitalisation, recognition. Aktivierung, Anfangszeitpunkt für die ~ commencement date for capitalisation; Beginn der ~ commencement of capitalisation; Ende der ~ cessation of capitalisation; Unterbrechung der ~ suspension of capitalisation.</p> <p>Aktivierungs- verbot prohibition on recognition; ~ wahlrecht recognition option.</p> <p>Aktivierung 2. (i. S.v. Freischaltung, Inbetriebnahme) activation.</p> <p>Aktivierungsgebühren, ~ bei Telekommunikationsverträgen activation fees in telecommunication contracts.</p> <p>aktivische Abgrenzung prepaid expenses (siehe auch Infokasten „aktive Rechnungsabgrenzung“, „aktivische Rechnungsabgrenzungsposten“) ① Auszahlung/Ausgabe jetzt, Aufwand später (vgl. passivische Abgrenzung).^{A57}</p> <p>aktivische Differenz DRS/GAS 25 debit balance.</p> <p>aktivische Rechnungsabgrenzungsposten prepaid expense, item of prepaid expenses, deferred expense, deferred charges, deferral of expenses.</p> <p>aktivischer regulatorischer Abgrenzungsposten regulatory deferral account debit balance.</p>
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² All graphics in this review are © Stoke-Borchert Corporate and Financial Translations and can be found online at beckassets.blob.core.windows.net/productattachment/brochure/14931132/25138745_allg_nov-2021_fwb_bstb.pdf [Published in this review with permission.]

To assess the overall quality of the dictionary, I decided to benchmark entries against a selection of “weasel words and tricky terms” from my own presentations.

The results are shown in the following table, together with the deprecated term found commonly in practice.

German term	Commonly mistranslated as:	<i>Fachwörterbuch der Rechnungslegung nach IAS/IFRS und HGB</i>
<i>Abschreibung auf Vermögensgegenstände des Umlaufvermögens</i>	amortisation and depreciation of current assets	write-downs of current assets (reviewer's note: together with a comprehensive explanation)
<i>At Equity-Konsolidierung*</i>	consolidation at equity	equity-accounting method of accounting
<i>aufwandswirksam erfassen</i>	record with an impact on expenses	recognise through profit or loss
<i>Aufzinsung</i>	interest accrual	unwinding of a discount
<i>außerplanmäßige/unplanmäßige Abschreibung(en)</i>	unscheduled/non-scheduled amortisation/depreciation	write-downs (reviewer's note: also IFRS “impairment losses”)
<i>Bilanzgewinn</i>	balance sheet profit	net retained profit(s), distributable profit, unappropriated surplus
<i>bilden</i>	form, build	recognise
<i>erfolgsneutral/ertragsneutral</i>	profit-neutral, income-neutral	HGB: directly in equity IFRS: through profit or loss/in other comprehensive income
<i>erfolgswirksam/ertragswirksam erfassen</i>	affect net income, impact (on) results	HGB: recognise in the income statement IFRS: recognise in/through profit or loss
<i>Handelsbilanz</i>	commercial balance sheet	financial accounts, financial statements
<i>kapitalmarktorientiert</i>	capital market-orient(at)ed	publicly traded
<i>Organschaft</i>	fiscal entity	consolidated tax group
<i>planmäßige Abschreibung(en)</i>	scheduled/regular/systematic amortisation/depreciation	depreciation, amortisation
<i>Position (in Kontenplan)</i>	position (in chart of accounts)	account
<i>Steuerbilanz</i>	tax balance sheet	tax accounts (reviewer's note: also in some cases “tax base”)
<i>Teilwertverfahren</i>	partial/fractional value procedure	German entry age normal method
<i>Versicherung der gesetzlichen Vertreter</i>	assurance by the legal representatives	responsibility statement
<i>Vorsteuer</i>	prior turnover tax	input tax



A random search through the dictionary indicates that the translations given are correct and appropriate. In a few cases, additional translations could have been added, but that doesn't detract from the overall quality of the dictionary. That's very impressive, and you can't really ask for more than that!

The dictionary only covers IFRSs (including IASs) and German GAAP (including GAs), so users of the En-De part in particular may ask whether it contains any United States GAAP (US GAAP) or United Kingdom GAAP (UK GAAP) terms. It does not, and the reviewer considers there to be good reasons for this.

US GAAP was used in Germany in the late 1990s for companies listed on the "Neuer Markt" and "SDAX" segments of the Frankfurt Stock Exchange, and they had the option to use IASs (as they then were) or US GAAP for their consolidated financial statements. When those segments were discontinued in the early 2000s, the US GAAP option disappeared. Since then, US GAAP has been of extremely limited relevance in Germany. Even companies with a primary listing in the USA, such as SAP, reconcile their US GAAP consolidated financial statements to IFRSs before they are translated into German. As a result, incorporating US GAAP terms—which in the consolidated financial reporting context are often identical to IFRSs apart from the spelling—in the dictionary surely does not justify the effort involved in researching and compiling the translations.

Nowadays, UK GAAP (specifically, Financial Reporting Standards 101, 102, 105) is restricted to micro-entities and small and medium-sized entities, with

listed companies applying IFRSs to their consolidated financial statements. There are no indications that Brexit is going to change that, so demand for into-German translations of UK GAAP financial statements is necessarily going to be extremely low and does not warrant including any entries in this dictionary.

Going forward, the author has indicated that the electronic subscription version will be updated regularly, which sounds very promising. Now that IFRS 17 *Insurance Contracts* has been (finally!) adopted by the EU, more insurance-related terminology should find its way into a new edition of the dictionary to supplement the existing IFRS 17 terms. Updated or new German Accounting Standards should also be a source of useful terminology. It also might be worthwhile expanding the scope of the dictionary to include *non-financial reporting*, in particular ESG (environmental, social and governance) reporting, the new IFRS Sustainability Standards produced by the International Sustainability Standards Board (ISSB) established by the IFRS Foundation (if translated into German), as well as terminology from the relevant EU non-financial reporting legislation. The reason here is that many translators working on financial reporting texts are also increasingly translating non-financial reporting texts, for example "integrated reports" and non-financial reports.

In conclusion, the *Fachwörterbuch der Rechnungslegung nach IAS/IFRS und HGB—Dictionary of Accounting and Financial Reporting (IAS/IFRS and German GAAP)* is a first-rate dictionary, *ein wahrhaftiges Meisterwerk der Extraklasse*. I only wish it had been available thirty years ago.

