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From:	European Commission
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To:	General Secretariat of the Council
No. Cion doc.:	D062934/2
Subject:	COMMISSION REGULATION (EU) .../... of XXX amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 1 and 8

Delegations will find attached document D062934/2.

Encl.: D062934/2



Brussels, **XXX**
[...](2019) **XXX** draft

D062934/2

COMMISSION REGULATION (EU) .../...

of **XXX**

amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 1 and 8

COMMISSION REGULATION (EU) .../...

of **XXX**

amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 1 and 8

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards¹, and in particular Article 3(1) thereof,

Whereas:

- (1) By Commission Regulation (EC) No 1126/2008² certain international standards and interpretations that were in existence at 15 October 2008 were adopted.
- (2) In the framework of its *Better Communication in Financial Reporting* project which aims at improving the way financial information is communicated to users of the financial statements, the International Accounting Standards Board published on 31 October 2018 *Definition of Material (Amendments to IAS 1 and IAS 8)* to clarify the definition of ‘material’ to make it easier for companies to make materiality judgements and to enhance the relevance of the disclosures in the notes to the financial statements.
- (3) Following the consultation with the European Financial Reporting Advisory Group, the Commission concludes that the amendments to International Accounting Standard (IAS) 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* meet the criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.
- (4) Amendments to IAS 1 and IAS 8 imply, by way of consequence, amendments to IAS 10 *Events after the Reporting Period*, IAS 34 *Interim Financial Reporting* and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.
- (5) Regulation (EC) No 1126/2008 should therefore be amended accordingly.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee,

¹ OJ L 243, 11.9.2002, p. 1.

² Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (OJ L 320, 29.11.2008, p. 1).

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EC) No 1126/2008 is amended as follows:

- (a) IAS 1 *Presentation of Financial Statements* is amended as set out in the Annex to this Regulation;
- (b) IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* is amended as set out in the Annex to this Regulation;
- (c) IAS 10 *Events after the Reporting Period* is amended as set out in the Annex to this Regulation;
- (d) IAS 34 *Interim Financial Reporting* is amended as set out in the Annex to this Regulation;
- (e) IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* is amended as set out in the Annex to this Regulation.

Article 2

Each company shall apply the amendments referred to in Article 1, at the latest, as from the commencement date of its first financial year starting on or after 1 January 2020.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.
Done at Brussels,

For the Commission
The President
Jean Claude Juncker