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Delegations will find attached document D(2026) 116263.

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COMMISSION REGULATION (EU) …/…

of XXX

amending Regulation (EU) 2023/1803 as regards International Financial Reporting Standard 19

(Text with EEA relevance)

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of XXX

amending Regulation (EU) 2023/1803 as regards International Financial Reporting Standard 19

(Text with EEA relevance)

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 standards[1], and in particular Article 3(1) thereof,

Whereas:

(1) In Commission Regulation (EU) 2023/1803[2], certain international accounting standards and interpretations that were in existence on 8 September 2022 were adopted.

(2) On 9 May 2024, the International Accounting Standards Board (IASB) published International Financial Reporting Standard 19 Subsidiaries without Public Accountability: Disclosures ('IFRS 19') with the objective to simplify financial reporting for eligible subsidiaries. IFRS 19 reduces disclosure requirements for international accounting standards and amendments issued up to February 2021. On 21 August 2025, the IASB issued amendments to IFRS 19 to reduce disclosure requirements for international accounting standards and amendments issued between February 2021 and May 2024.

(3) On 30 May 2024, the IASB issued consequential amendments to International Financial Reporting Standard 9 Financial Instruments ('IFRS 9') and International Financial Reporting Standard 7 Financial Instruments: Disclosures ('IFRS 7') – Amendments to the Classification and Measurement of Financial Instruments. On 18 December 2024 IASB also issued other consequential amendments to International Financial Reporting Standard 9 Financial Instruments ('IFRS 9') and International Financial Reporting Standard 7 Financial Instruments: Disclosures ('IFRS 7') - Contracts Referencing Nature-dependent Electricity. Those amendments contain updates to IFRS 19 that were not included in the Union accounting regulation, as set out in Commission Regulation (EU) 2025/1047 and Commission Regulation (EU) 2025/1266, since IFRS 19 was not yet endorsed in the Union at that time, and should now be included.

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1 OJ L 243, 11.9.2002, p. 1, ELI: http://data.europa.eu/eli/reg/2002/1606/oj.

2 Commission Regulation (EU) 2023/1803 of 13 September 2023 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (OJ L 237, 26.9.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/1803/oj).

(4) IFRS 19 aims to simplify the preparation of financial statements of eligible subsidiaries in accordance with international accounting standards by reducing disclosure requirements while maintaining full compliance with recognition, measurement and presentation requirements set out in international accounting standards. IFRS 19 can prove beneficial to eligible subsidiaries that already apply international accounting standards, as it reduces the disclosure burden and the related costs, without adversely affecting the usefulness of information provided to users. For eligible subsidiaries that currently apply an accounting framework other than full international accounting standards, the use of IFRS 19, on a voluntary basis and where justified by positive cost-benefit assessment, may facilitate a transition to international accounting standards, the use of uniform group accounting framework, and alignment with accounting policies at group level. In such cases, the application of IFRS 19 would reduce the need to maintain two sets of accounting records or reconcile group and local accounting policies. Furthermore, the disclosure requirements under IFRS 19 are designed to be proportionate and focused on the information needs of users of eligible subsidiaries' financial statements, thereby contributing to improved financial reporting.

(5) IFRS 19 sets out its scope by referring to the IASB's definition of public accountability. To ensure legal certainty regarding the application of IFRS 19 to subsidiaries established in the Union, a company should be considered to have public accountability where it qualifies as a public-interest entity as defined in Article 2, point (1), of Directive 2013/34/EU of the European Parliament and of the Council[3].

(6) IFRS 19 applies only to companies that are subsidiaries of publicly traded parent companies drawing up consolidated accounts under Regulation (EC) No 1606/2002. Article 4 of Regulation (EC) No 1606/2002 requires all publicly traded companies governed by the law of a Member State to prepare their consolidated financial statements in conformity with international accounting standards adopted in accordance with Regulation (EC) No 1606/2002. Article 4 of Regulation (EC) No 1606/2002 refers to consolidated accounts, and thus to parent companies. That provision is however also applicable to the subsidiaries of such parent companies, because it requires implicitly such subsidiaries to provide the necessary financial information to their parent company. Consolidated accounts should present the activities of a parent company and its subsidiaries as a whole economic company.

(7) In accordance with the principle of proportionality and with Article 5 of Regulation (EC) No 1606/2002, Member States may permit or require subsidiaries to prepare their annual or consolidated accounts in conformity with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002.

(8) The adoption of IFRS 19 implies by way of consequence amendments to the following standards or interpretations of standards: IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 13 *Fair Value Measurement*, IFRS 17 Insurance Contracts, IFRS 18 *Presentation and Disclosure in Financial Statements*, International Accounting Standard ('IAS') 32 *Financial Instruments: Presentation*, IAS 34 *Interim Financial Reporting*, and Interpretation of the International Financial Reporting

[3] Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: http://data.europa.eu/eli/dir/2013/34/oj).

Interpretations Committee IFRIC 14 *IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

(9) After having consulted the European Financial Reporting Advisory Group ('EFRAG'), the Commission concludes that IFRS 19 and its subsequent amendments meet the conditions for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002 and as further specified in Articles 4 and 5 of that Regulation.

(10) Regulation (EU) 2023/1803 should therefore be amended accordingly.

(11) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) 2023/1803 is amended as follows:

(1) the following Article 3a is inserted:

'*Article 3a*

A company that applies the requirements set out in the International Financial Reporting Standard 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19) in the Annex to this Regulation shall be considered to have public accountability where it is a public-interest entity as defined in Article 2, point (1), of Directive 2013/34/EU of the European Parliament and of the Council*.

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* Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: http://data.europa.eu/eli/dir/2013/34/oj).';

(2) the Annex is amended as follows:

(a) IFRS 19 *Subsidiaries without Public Accountability: Disclosures* is inserted in accordance with Annex I to this Regulation;

(b) IFRS 19 *Subsidiaries without Public Accountability: Disclosures* is amended in accordance with Annex II to this Regulation;

(c) IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 13 *Fair Value Measurement*, IFRS 17 *Insurance Contracts*, IFRS *18 Presentation and Disclosure in Financial Statements*, International Accounting Standard ('IAS') 32 *Financial Instruments*: Presentation, IAS 34 *Interim Financial Reporting*, and Interpretation of the International Financial Reporting Interpretations Committee IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* are amended in accordance with Annexes I, II and III 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 2027.

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
Ursula VON DER LEYEN