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| From:            | European Commission   |
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| To:              | General Secretariat of the Council  |
| No. Cion doc.:   | D091637/01  |
| Subject:         | COMMISSION REGULATION (EU) .../... of XXX amending Regulation (EU) ... <i>[due to the current repeal and replacement exercise of the consolidated IFRS Regulation (EC) No 1126/2008 (ISC/2023/01135) the new number will be added once the new IFRS Regulation is adopted by the Commission]</i> /2023 as regards International Accounting Standard 1 |

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Delegations will find attached document D091637/01.

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Encl.: D091637/01



EUROPEAN  
COMMISSION

Brussels, XXX  
[...] (2023) XXX draft

**D091637/01**

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

**of XXX**

**amending Regulation (EU) ... *[due to the current repeal and replacement exercise of the consolidated IFRS Regulation (EC) No 1126/2008 (ISC/2023/01135) the new number will be added once the new IFRS Regulation is adopted by the Commission]/2023* as regards  
International Accounting Standard 1**

(Text with EEA relevance)

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

of **XXX**

**amending Regulation (EU) ... [due to the current repeal and replacement exercise of the consolidated IFRS Regulation (EC) No 1126/2008 (ISC/2023/01135) the new number will be added once the new IFRS Regulation is adopted by the Commission]/2023 as regards International Accounting Standard 1**

(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<sup>1</sup>, and in particular Article 3(1) thereof,

Whereas:

- (1) By Commission Regulation (EU) ... [due to the current repeal and replacement exercise of the consolidated IFRS Regulation (EC) No 1126/2008 (ISC/2023/01135) the new number will be added once the new IFRS Regulation is adopted by the Commission]/2023<sup>2</sup> certain international accounting standards and interpretations that were in existence on ... [Month] 2023 were adopted.
- (2) On 23 January 2020, the International Accounting Standards Board ('IASB') issued amendments to International Accounting Standard 1 *Presentation of Financial Statements* ('IAS 1'). The amendments specify how a company is to determine, in the statement of financial position, debt and other liabilities with an uncertain settlement date. According to those amendments, that debt or other liabilities are to be classified either as current (due or potentially due to be settled within one year) or non-current.
- (3) On 15 July 2020, due to the COVID pandemic, the IASB issued a narrow scope amendment to defer by 1 year the effective date of the amendments to IAS 1 issued on 23 January 2020 by the IASB.
- (4) During the implementation of those amendments to IAS 1, some stakeholders asked the IASB to clarify how a company should classify a liability arising from a loan arrangement with covenants as current or non-current. In response, the IASB issued further amendments to IAS 1 on 31 October 2022. Those amendments also improve

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<sup>1</sup> OJ L 243, 11.9.2002, p. 1.

<sup>2</sup> ... [will be updated once the new IFRS Regulation is adopted by the Commission].

the information a company should provide when its right to defer settlement of a liability for at least twelve months is subject to covenants.

- (5) Following the consultation with the European financial reporting advisory group EFRAG, the Commission concludes that the amendments to IAS 1 meet the criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.
- (6) Regulation (EU) ... *[due to the current repeal and replacement exercise of the consolidated IFRS Regulation (EC) No 1126/2008 (ISC/2023/01135) the new number will be added once the new IFRS Regulation is adopted by the Commission]*/2023 should therefore be amended accordingly.
- (7) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee,

HAS ADOPTED THIS REGULATION:

#### *Article 1*

In the Annex to Regulation (EU) ... *[due to the current repeal and replacement exercise of the consolidated IFRS Regulation (EC) No 1126/2008 (ISC/2023/01135) the new number will be added once the new IFRS Regulation is adopted by the Commission]*/2023, International Accounting Standard 1 *Presentation of Financial Statements* 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 2024.

#### *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*