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Subject: COMMISSION REGULATION (EU) .../... of XXX amending Regulation (EU) 2023/1803 as regards International Financial Reporting Standard 18

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Delegations will find attached document D(2025) 110230.

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Brussels, **XXX**  
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**COMMISSION REGULATION (EU) .../...**

**of **XXX****

**amending Regulation (EU) 2023/1803 as regards International Financial Reporting  
Standard 18**

(Text with EEA relevance)

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

of **XXX**

## amending Regulation (EU) 2023/1803 as regards International Financial Reporting Standard 18

(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) 2023/1803<sup>2</sup> certain international accounting standards and interpretations that were in existence on 8 September 2022 were adopted.
- (2) On 9 April 2024, the International Accounting Standards Board issued the International Financial Reporting Standard 18 Presentation and Disclosure in Financial Statements ('IFRS 18') with the objective to improve the communicated information in the financial statements, with a focus on information in the statement of profit or loss.
- (3) IFRS 18 fosters the reporting of financial performance by ensuring that companies disclose relevant information that faithfully represents their assets, liabilities, equity, income and expenses. It enables investors to make more informed decisions leading to better allocations of capital and contributing to long-term financial stability.
- (4) IFRS 18 strengthens the quality of financial reporting in particular by requiring companies' defined subtotals in the statement of profit or loss; the disclosure about management-defined performance measures; and adding new principles for aggregation and disaggregation of information.
- (5) The adoption of IFRS 18 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 2 *Share-based Payment*, IFRS 3 *Business Combinations*, IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 6 *Exploration for and Evaluation of Mineral Resources*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 8 *Operating Segments*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IFRS 13 *Fair Value Measurement*, IFRS 15 *Revenue from Contracts with Customers*, IFRS 16 *Leases*,

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

<sup>2</sup> 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>).

IFRS 17 *Insurance Contracts*, International Accounting Standard ('IAS') 2 *Inventories*, IAS 7 *Statement of Cash Flows*, IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, IAS 10 *Events after the Reporting Period*, IAS 12 *Income Taxes*, IAS 16 *Property, Plant and Equipment*, IAS 19 *Employee Benefits*, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 24 *Related Party Disclosures*, IAS 26 *Accounting and Reporting by Retirement Benefit Plans*, IAS 27 *Separate Financial Statements*, IAS 28 *Investments in Associates and Joint Ventures*, IAS 29 *Financial Reporting in Hyperinflationary Economies*, IAS 32 *Financial Instruments: Presentation*, IAS 33 *Earnings per Share*, IAS 34 *Interim Financial Reporting*, IAS 36 *Impairment of Assets*, IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, IAS 38 *Intangible Assets*, IAS 40 *Investment Property*, IAS 41 *Agriculture*, Interpretations of the International Financial Reporting Interpretations Committee ('IFRIC') 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments*, IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*, IFRIC 6 *Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment*, IFRIC 12 *Service Concession Arrangements*, IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*, IFRIC 17 *Distributions of Non-cash Assets to Owners*, IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*, IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*, IFRIC 21 *Levies*, IFRIC 22 *Foreign Currency Transactions and Advance Consideration*, IFRIC 23 *Uncertainty over Income Tax Treatments*, and Interpretations of the Standard Interpretations Committee ('SIC')- 7 *Introduction of the Euro*, SIC- 10 *Government Assistance – No Specific Relation to Operating Activities*, SIC- 25 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*, SIC- 29 *Service Concession Arrangements: Disclosures* and SIC- 32 *Intangible Assets—Web Site Costs*.

- (6) Moreover, it implies by way of consequence the withdrawal of IAS 1 *Presentation of Financial Statements*.
- (7) Following a consultation with the European financial reporting advisory group EFRAG, the Commission has concluded that IFRS 18 meets the conditions for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002
- (8) Regulation (EU) 2023/1803 should therefore be amended accordingly.
- (9) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee,

HAS ADOPTED THIS REGULATION:

#### *Article 1*

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

- (1) International Financial Reporting Standard ('IFRS') 18 *Presentation and Disclosure in Financial Statements* ('IFRS 18') is inserted as set out in the Annex to this Regulation;
- (2) IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 2 *Share-based Payment*, IFRS 3 *Business Combinations*, IFRS 5

*Non-current Assets Held for Sale and Discontinued Operations, IFRS 6 Exploration for and Evaluation of Mineral Resources, IFRS 7 Financial Instruments: Disclosures, IFRS 8 Operating Segments, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IFRS 13 Fair Value Measurement, IFRS 15 Revenue from Contracts with Customers, IFRS 16 Leases, IFRS 17 Insurance Contracts, International Accounting Standard ('IAS') 2 Inventories, IAS 7 Statement of Cash Flows, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IAS 10 Events after the Reporting Period, IAS 12 Income Taxes, IAS 16 Property, Plant and Equipment, IAS 19 Employee Benefits, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 24 Related Party Disclosures, IAS 26 Accounting and Reporting by Retirement Benefit Plans, IAS 27 Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures, IAS 29 Financial Reporting in Hyperinflationary Economies, IAS 32 Financial Instruments: Presentation, IAS 33 Earnings per Share, IAS 34 Interim Financial Reporting, IAS 36 Impairment of Assets, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IAS 38 Intangible Assets, IAS 40 Investment Property, IAS 41 Agriculture, Interpretations of the International Financial Reporting Interpretations Committee ('IFRIC') 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities, IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments, IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds, IFRIC 6 Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment, IFRIC 12 Service Concession Arrangements, IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, IFRIC 16 Hedges of a Net Investment in a Foreign Operation, IFRIC 17 Distributions of Non-cash Assets to Owners, IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, IFRIC 21 Levies, IFRIC 22 Foreign Currency Transactions and Advance Consideration, IFRIC 23 Uncertainty over Income Tax Treatments, and Interpretations of the Standard Interpretations Committee ('SIC')- 7 Introduction of the Euro, SIC- 10 Government Assistance – No Specific Relation to Operating Activities, SIC- 25 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders, SIC- 29 Service Concession Arrangements: Disclosures and SIC- 32 Intangible Assets—Web Site Costs are amended in accordance with IFRS 18 as set out in the Annex to this Regulation.*

- (3) IAS 1 *Presentation of Financial Statements* is deleted.

#### *Article 2*

Each company shall apply the amendment 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