

EXTRACT OF THE DRAFT SUMMARY RECORD

MEETING OF THE ACCOUNTING REGULATORY COMMITTEE AND CONTACT COMMITTEE OF 30 NOVEMBER 2005
--

VII ENDORSEMENT PROCEDURE CONTINUING INTO THE FOLLOWING YEAR

A question has arisen regarding what date should be used for the applicability of endorsed IFRS? This is especially relevant where the IASB publishes a standard before the balance sheet date of a company but it is endorsed by the EU and published in the Official Journal only after that date.

The Commission Regulations endorsing IFRS typically require companies to apply the specified IFRS "... as from the commencement date of its [year] financial year at the latest." This mirrors the provisions in the related IFRS where there is an effective date and a provision where early application is encouraged.

Therefore, the Commission informed Member States that Regulations endorsing IFRS published in the Official Journal and entering into force after the balance sheet date but before the date the financial statements are signed can be used by companies (but they are not obliged to) where early application is permitted in the Regulation and the related IFRS.