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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,
C (2008)

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Draft

COMMISSION REGULATION (EC) No .../..

of [...]

amending Regulation (EC) No .../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 Standard (IAS) 32 and IAS 1

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COMMISSION REGULATION (EC) No .../..

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amending Regulation (EC) No .../2008¹ 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 Standard (IAS) 32 and IAS 1

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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 standards², and in particular Article 3(1) thereof,

Whereas:

- (1) By Commission Regulation (EC) No .../2008³ certain international standards and interpretations that were extant at 31 December 2007 were adopted.
- (2) On 14 February 2008, the International Accounting Standards Board (IASB) published amendments to International Accounting Standard (IAS) 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation, hereinafter "amendments to IAS 32 and IAS 1". The amendments require certain instruments issued by companies that are currently classified as liabilities despite of having characteristics similar to ordinary shares, to be classified as equity. Additional disclosures are required relating to those instruments and new rules should apply to their reclassification.
- (3) The consultation with the Technical Expert Group (TEG) of the European Financial Reporting Advisory Group (EFRAG) confirms that the amendments to IAS 32 and IAS 1 meet the technical criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002. In accordance with Commission Decision No 2006/505/EC of 14 July 2006 setting up a Standards Advice Review Group to advise the Commission on

¹ *NOTE to OPOCE: Please insert throughout the text the Number of the Commission Regulation titled "adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council", and the OJ reference to the same Regulation in footnote 3.*

² OJ L 243, 11.9.2002, p. 1.

³ OJ L ...

the objectivity and neutrality of the European Financial Reporting Advisory Group's (EFRAG's) opinions⁴, the Standards Advice Review Group considered EFRAG's opinion on endorsement and advised the Commission that it is well-balanced and objective.

- (4) Regulation (EC) No [REDACTED]/2008 should therefore be amended accordingly.
- (5) 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 (EC) No [REDACTED]/2008 is amended as follows:

- (1) International Accounting Standard (IAS) 32 Financial Instruments: Presentation is amended as set out in the Annex to this Regulation;
- (2) IAS 1 Presentation of Financial Statements is amended as set out in the Annex to this Regulation;
- (3) International Reporting Financial Standard (IFRS) 7, IAS 39 and International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 2 are amended in accordance with the amendments to IAS 32 and IAS 1 as set out in the Annex to this Regulation.

Article 2

Each company shall apply the amendments to IAS 32 and to IAS 1, as set out in the Annex to this Regulation, at the latest, as from the commencement date of its first financial year starting after 31 December 2008.

Article 3

This Regulation shall enter into force on the **third** 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
Charlie McCreevy
Member of the Commission

⁴ OJ L 199, 21.7.2006, p. 33.

ANNEX

INTERNATIONAL ACCOUNTING STANDARDS	
IAS 32	Amendments to IAS 32 <i>Financial Instruments: Presentation</i>
IAS 1	Amendments IAS 1 <i>Presentation of Financial Statements</i>

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