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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,
C (2009)

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Draft

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

of [...]

amending Regulation (EC) No 1126/2008 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

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(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 standards¹, and in particular Article 3(1) thereof,

Whereas:

- (1) By Commission Regulation (EC) No 1126/2008² certain international standards and interpretations that were in existence on 15 October 2008 were adopted.
- (2) On 8 October 2009, the International Accounting Standards Board (IASB) published an amendment to International Accounting Standard (IAS) 32 Financial Instruments: Presentation – Classification of Rights Issues, hereinafter "amendment to IAS 32". The amendment to IAS 32 clarifies how to account for certain rights when the issued instruments are denominated in a currency other than the functional currency of the issuer. If such instruments are issued pro rata to the issuer's existing shareholders for a fixed amount of cash, they should be classified as equity even if their exercise price is denominated in a currency other than the issuer's functional currency.
- (3) The consultation with the Technical Expert Group (TEG) of the European Financial Reporting Advisory Group (EFRAG) confirms that the amendment to IAS 32 meets 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 the objectivity and neutrality of the European Financial Reporting Advisory Group's (EFRAG's) opinions³, the Standards Advice Review Group considered EFRAG's

¹ OJ L 243, 11.9.2002, p. 1.

² OJ L 320, 29.11.2008, p. 1.

³ OJ L 199, 21.7.2006, p. 33.

opinion on endorsement and advised the Commission that it is well-balanced and objective.

- (4) Regulation (EC) No 1126/2008 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

In the Annex to Regulation (EC) No 1126/2008 International Accounting Standard (IAS) 32 *Financial Instruments: Presentation* is amended as set out in the Annex to this Regulation.

Article 2

Each company shall apply the amendment to IAS 32, 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 January 2010.

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

ANNEX

INTERNATIONAL ACCOUNTING STANDARDS	
IAS 32	Amendment to IAS 32 <i>Financial Instruments: Presentation</i>

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