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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,  
C (2009)

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 Financial Reporting Standard (IFRS) 1**

**(Text with EEA relevance)**

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

Whereas:

- (1) By Commission Regulation (EC) No 1126/2008<sup>2</sup> certain international accounting standards and interpretations that were in existence at 15 October 2008 were adopted.
- (2) On 23 July 2009, the International Accounting Standards Board (IASB) published Amendments to International Financial Reporting Standard (IFRS) 1 *First-time adoption of international financial reporting standards*, hereinafter "amendments to IFRS 1". According to the amendments to IFRS 1 entities with oil and gas activities transitioning to IFRSs are allowed to use carrying amounts for oil and gas assets determined under their previous accounting rules. Those entities that decide to use that exemption should be required to measure decommissioning, restoration and similar liabilities relating to oil and gas assets in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets* and to recognise the liability against retained earnings. The amendments to IFRS 1 also concern reassessment of lease determination.
- (3) The consultation with the Technical Expert Group (TEG) of the European Financial Reporting Advisory Group (EFRAG) confirms that the amendments to IFRS 1 meet the technical criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002. In accordance with Commission Decision 2006/505/EC of 14 July 2006 setting up a Standards Advice Review Group to advise the Commission on the

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

<sup>2</sup> OJ L 320, 29.11.2008, p. 1

objectivity and neutrality of the European Financial Reporting Advisory Group's (EFRAG's) opinions<sup>3</sup>, 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 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 Financial Reporting Standard 1 *First-time adoption of international financial reporting standards* is amended as set out in the Annex to this Regulation.

*Article 2*

Each company shall apply the amendments to IFRS 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 2009.

*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*

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<sup>3</sup> OJ L 199, 21.7.2006, p. 33.

ANNEX

| INTERNATIONAL ACCOUNTING STANDARDS |  |
|------------------------------------|--|
| IFRS 1                             | Amendments to IFRS 1 Additional Exemptions for First-time Adopters |

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