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EUROPEAN COMMISSION

Brussels,
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Draft

COMMISSION REGULATION (EU) 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) 24 and International Financial Reporting Standard (IFRS) 8

(Text with EEA relevance)

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(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 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 at 15 October 2008 were adopted.
- (2) On 4 November 2009, the International Accounting Standards Board (IASB) published a revised International Accounting Standard (IAS) 24 *Related Party Disclosures*, hereinafter "revised IAS 24". The aim of the changes introduced by the revised IAS 24 is to simplify the definition of a related party while removing certain internal inconsistencies and provides some relief for government-related entities in relation to the amount of information such entities need to provide in respect to related party transactions.
- (3) The consultation with the Technical Expert Group (TEG) of the European Financial Reporting Advisory Group (EFRAG) confirms that the revised IAS 24 meets 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 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) The adoption of the revised IAS 24 implies, by way of consequence, amendments to International Financial Reporting Standard (IFRS) 8 in order to ensure consistency between international accounting standards.
- (5) Regulation (EC) No 1126/2008 should therefore be amended accordingly.
- (6) 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 1126/2008 is amended as follows:

- (1) International Accounting Standard (IAS) 24 is replaced by the revised IAS 24 as set out in the Annex to this Regulation;
- (2) International Financial Reporting Standard (IFRS) 8 is amended as set out in the Annex to this Regulation.

Article 2

Each company shall apply IAS 24 and amendment to IFRS 8, 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 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
The President
José Manuel BARROSO

ANNEX

INTERNATIONAL ACCOUNTING STANDARDS	
IAS 24	<i>IAS 24 Related Party Disclosures</i>
IFRS 8	<i>Amendment to IFRS 8 Operating Segments</i>

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