



EUROPEAN COMMISSION
Internal Market and Services DG

Brussels, 15 October 2008

COMMISSION DECLARATION

Given the turbulence in financial markets, the Commission will continue to closely monitor all accounting issues that could impact on the stability of financial institutions and financial markets and will keep under constant review the implementation of IAS 39 and IFRS 7.

The Commission will continue to work intensively with all stakeholders and will organise a meeting within the next few days to consider other possible issues under IAS 39 and IFRS 7. The Commission will, in particular, review the issue of the fair value option, embedded derivatives, insurance questions, and any other issues in IAS 39 and IFRS 7 of concern, and requests the IASB and CESR to begin work immediately in order to find appropriate solutions in the public interest taking into account an appropriate level of transparency. The Commission will propose further amendments to IAS 39 and IFRS 7, by all legal means if necessary, by the end of October.

The Commission also considers that an in depth reflection is needed on fair value accounting, including possible procyclicality effects. The newly formed EFC group on procyclicality could be one avenue for taking forward this question expeditiously.

The Commission takes note that Member States want to have an in depth reflection on the standard-setting process.