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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,
COM(2007)

Draft

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

of [...]

amending Regulation (EC) No 1725/2003 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) 8

(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 1725/2003² certain international standards and interpretations that were extant at 14 September 2002 were adopted.
- (2) On 30 November 2006, the International Accounting Standards Board (IASB) published International Financial Reporting Standard (IFRS) 8 *Operating Segments*. IFRS 8 sets out the requirements for the disclosure of information about an entity's operating segments. It replaces IAS 14 Segment reporting³. This standard is a result of

¹ OJ L 243, 11.9.2003, p. 1.

² OJ L 261, 13.10.2003, p.1. Regulation as last amended by Regulation (EC) No 1329/2006 (OJ L 247, 9.9.2006 p. 3).

³ adopted in Regulation 1725/2003 (OJ L 261, 13.10.2003, p.1. Regulation as last amended by Regulation (EC) No 1329/2006 (OJ L 247, 9.9.2006 p. 3).

the IASB's work in its joint short-term convergence project with the US Financial Accounting Standards Board (FASB) to reduce differences between IFRSs and US generally accepted accounting principles (GAAP). Therefore, the requirements of IFRS 8 are in line with segment reporting requirements in the US. Convergence of accounting standards is one of the aims of the IAS Regulation with the ultimate objective being a single set of global accounting standards.

- (3) The consultation with the Technical Expert Group (TEG) of the European Financial Reporting Advisory Group (EFRAG) confirms that IFRS 8 meets the technical criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.
- (4) Regulation (EC) No 1725/2003 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 1725/2003 is amended as follows:

International Financial Reporting Standard (IFRS) 8 *Operating Segments*, is inserted as set out in the Annex to this Regulation;

Article 2

Each company shall apply IFRS 8 as set out in the Annex to this Regulation as from the commencement date of its 2009 financial year at the latest.

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 FINANCIAL REPORTING STANDARDS	
IFRS 8	<i>IFRS 8 Operating Segments</i>

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