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Subject:	COMMISSION REGULATION (EU) .../... of XXX 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 15

Delegations will find attached document D044460/01.

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Brussels, **XXX**
[...](2016) **XXX** draft

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COMMISSION REGULATION (EU) .../...

of **XXX**

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 15

(Text with EEA relevance)

COMMISSION REGULATION (EU) .../...

of **XXX**

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 15

(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 on 15 October 2008 were adopted.
- (2) In May 2014, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Standard (IFRS) 15 entitled *Revenue from Contracts with Customers*. This standard aims to improve the financial reporting of revenue and to improve comparability of top line in financial statements globally.
- (3) In September 2015 the IASB issued an amendment to IFRS 15 that defers the effective date from 1 January 2017 to 1 January 2018.
- (4) IFRS 15 contains some references to IFRS 9 that at present cannot be applied as IFRS 9 has not been adopted by the Union. Therefore, any reference to IFRS 9 as laid down in the Annex to this Regulation should be read as a reference to International Accounting Standard (IAS) 39 *Financial Instruments: Recognition and Measurement*.
- (5) Adoption of IFRS 15 implies by way of consequence amendments to IFRS 1, 3 and 4, IAS 1, 2, 12, 16, 32, 34, 36, 37, 38, 39 and 40, Interpretation of the International Financial Reporting Interpretations Committee (IFRIC) 12, Interpretation of the

¹ OJ L 243, 11.9.2002, p. 1.

² Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (OJ L 320, 29.11.2008, p. 1).

Standing Interpretations Committee (SIC) 27 and SIC 32 in order to ensure consistency between international accounting standards. Moreover, it implies by way of consequence the withdrawal of IAS 11 and 18, IFRIC 13, IFRIC 15 and IFRIC 18 and SIC-31.

- (6) The European Financial Reporting Advisory Group confirms that IFRS 15 meets the criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.
- (7) Regulation (EC) No 1126/2008 should therefore be amended accordingly.
- (8) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee,

HAS ADOPTED THIS REGULATION:

Article 1

1. The Annex to Regulation (EC) No 1126/2008 is amended as follows:
 - (a) International Financial Reporting Standard (IFRS) 15 *Revenue from Contracts with Customers* is inserted as set out in the Annex to this Regulation;
 - (b) IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 3 *Business Combinations*, IFRS 4 *Insurance Contracts*, International Accounting Standard (IAS) 1 *Presentation of Financial Statements*, IAS 2 *Inventories*, IAS 12 *Income Taxes*, IAS 16 *Property, Plant and Equipment*, IAS 32 *Financial Instruments: Presentation*, IAS 34 *Interim Financial reporting*, IAS 36 *Impairment of Assets*, IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, IAS 38 *Intangible Assets*, IAS 39 *Financial Instruments: Recognition and Measurement*, IAS 40 *Investment Property*, Interpretation of the International Financial Reporting Interpretations Committee IFRIC 12 *Service Concession Arrangements*, Interpretation of the Standing Interpretations Committee SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of Lease*, SIC 32 *Intangible Assets – Web Site Costs*, are amended in accordance with IFRS15 as set out in the Annex to this Regulation;
 - (c) IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate* and IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services* are replaced in accordance with IFRS 15 as set out in the Annex to this Regulation.
2. Any reference to IFRS 9 as laid down in the Annex to this Regulation shall be read as a reference to IAS 39 *Financial Instruments: Recognition and Measurement*.

Article 2

Each company shall apply the amendments referred to in Article 1(1), at the latest, as from the commencement date of its first financial year starting on or after 1 January 2018.

Article 3

This Regulation shall enter into force on the twentieth 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
Jean Claude Juncker