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To:	General Secretariat of the Council
No. Cion doc.:	D034989/01
Subject:	COMMISSION REGULATION (EU) No .../.. 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 Standards 3 and 13 and International Accounting Standard 40 (Text with EEA relevance)

Delegations will find attached document D034989/01.

Encl.: D034989/01



Brussels, **XXX**
[...] (2014) **XXX** draft

D034989/01

COMMISSION REGULATION (EU) No .../..

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 Standards 3 and 13 and International Accounting Standard 40

(Text with EEA relevance)

COMMISSION REGULATION (EU) No .../..

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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 12 December 2013, the International Accounting Standards Board (IASB) published Annual Improvements to International Reporting Standards 2011-2013 Cycle (the annual improvements), in the framework of its regular improvement process which aims at streamlining and clarifying the standards. The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2011 on areas of inconsistency in International Financial Reporting Standards (IFRS) or where clarification of wording is required. Amendments to IFRS 3 and 13 are clarifications or corrections to the respective standards. Amendments to International Accounting Standard (IAS) 40 involve changes to the existing requirements or additional guidance on the implementation of those requirements.
- (3) Those amendments to existing standards contain some references to IFRS 9 that at present cannot be applied as IFRS 9 has not been adopted by the Union yet. Therefore any references to IFRS 9 as laid down in the Annex to this Regulation should be read as a reference to IAS 39 *Financial instruments: recognition and measurement*.

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)

- (4) The consultation with the Technical Expert Group of the European Financial Reporting Advisory Group confirms that the improvements meet the technical criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.
- (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

1. The Annex to Regulation (EC) No 1126/2008 is amended as follows:
 - (a) IFRS 3 *Business combinations* is amended as set out in the Annex to this Regulation;
 - (b) IFRS 13 *Fair value measurement* is amended as set out in the Annex to this Regulation;
 - (c) IAS 40 *Investment property* is amended 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 [set the first day of the month following the date of entry into force of this Regulation].

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