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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 Accounting Standards 12 and 23 and International Financial Reporting Standards 3 and 11
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Delegations will find attached document D057598/01.

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Encl.: D057598/01



Brussels, **XXX**  
[...] (2018) **XXX** draft

**D057598/01**

**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 Accounting Standards 12 and 23 and International Financial Reporting Standards 3 and 11**

(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 Accounting Standards 12 and 23 and International Financial Reporting Standards 3 and 11**

(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 standards<sup>1</sup>, and in particular Article 3(1) thereof,

Whereas:

- (1) By Commission Regulation (EC) No 1126/2008<sup>2</sup> certain international standards and interpretations that were in existence at 15 October 2008 were adopted.
- (2) On 12 December 2017, the International Accounting Standards Board (IASB) published Annual Improvements to International Financial Reporting Standards 2015-2017 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 on areas of inconsistency in International Financial Reporting Standards or where clarification of wording is required.
- (3) Following the consultations with the European Financial Advisory Group, the Commission concludes that the amendments to International Accounting Standard (IAS) 12 *Income Taxes*, IAS 23 *Borrowing Costs*, International Financial Reporting Standard (IFRS) 3 *Business Combinations* and IFRS 11 *Joint Arrangements* meet the criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.
- (4) Regulation (EC) No 1126/2008 should therefore be amended accordingly.

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<sup>1</sup> OJ L 243, 11.9.2002, p. 1.

<sup>2</sup> 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).

- (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 1126/2008 is amended as follows:

- (a) International Accounting Standard (IAS) 12 *Income Taxes* is amended as set out in the Annex to this Regulation;
- (b) IAS 23 *Borrowing Costs* is amended as set out in the Annex to this Regulation;
- (c) International Financial Reporting Standard (IFRS) 3 *Business Combinations* is amended as set out in the Annex to this Regulation;
- (d) IFRS 11 *Joint Arrangements* is amended as set out in the Annex to this Regulation.

#### *Article 2*

Each company shall apply the amendments referred to in Article 1, at the latest, as from the commencement date of its first financial year starting on or after 1 January 2019.

#### *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**