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To:	General Secretariat of the Council
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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 9

Delegations will find attached document D054380/02.

Encl.: D054380/02



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

D054380/02

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 9

(Text with EEA relevance)

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

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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 October 2017, the International Accounting Standards Board (IASB) published amendments to International Financial Reporting Standard (IFRS) 9 *Financial Instruments Prepayment features with Negative Compensation*. The amendments are intended to clarify the classification of particular prepayable financial assets when applying IFRS 9.
- (3) Following consultations with the European Financial Reporting Advisory Group, the Commission concludes that the amendments to IFRS 9 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.
- (5) The IASB set the effective date of the amendments as 1 January 2019 with earlier application permitted.
- (6) Since Regulation (EU) 2016/2067³ has become applicable for financial periods starting at the latest on or after 1 January 2018, companies should be able to use International Financial Reporting Standard (IFRS) 9 *Financial Instruments* as amended in the Annex to this Regulation as from the date of application of Regulation (EU) 2016/2067. Therefore, companies should be able to apply the provisions of this Regulation for financial periods starting on or after 1 January 2018.
- (7) Given that Regulation (EU) 2016/2067 entered into force on 12 December 2016, in order to ensure consistency this Regulation should enter into force as soon as possible.

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)

³ OJ L 323, 29.11.2016, p. 1

(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

In the Annex to Regulation (EC) No 1126/2008, International Financial Reporting Standard (IFRS) 9 *Financial Instruments* 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 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
Jean Claude Juncker