

# Requirements of non-IFRS aquis related to financial statements that have to be applied when IFRS financial statements are prepared

## Abbreviations

- **AD:** Accounting Directive (2013/34/EU)
- **BAD:** Bank Accounting Directive (86/635/EEC)
- **IAD:** Insurance Accounting Directive (91/674/EEC)
- **IAS-R:** IAS Regulation (1606/2002/EC)
- **TD:** Transparency Directive (2004/109/EC)
- **CMD:** Capital Maintenance Directive (2012/30/EU)

## Scope of entities

- This paper should apply to entities in the scope of EU aquis that prepare IFRS financial statements (AD Article 1, BAD Article 2, IAD Article 2, TD Article 1), except in case of use of the following exemptions:
  - exemption in accordance with Article 37 (AD Article 37)
  - exemption in accordance with Article 39 (AD Article 39)
  - exemptions (TD Article 8)
- This paper need not apply to entities outside the scope of EU aquis including in case of mandatory application of IFRS based on national law or in case of voluntary application of IFRS upon the decision of the entity for their statutory financial statements where these entities are not subject to the EU aquis in the first place (IAS-R Article 5).

## Extra statements

- Management report (AD Article 19, AD Article 29)
- Non-financial information (AD Article 19a, AD Article 29a)
- Corporate governance statement (AD Article 20, AD Article 29)
- CBCR on payments to governments (AD Chapter 10)
- Statements made by the persons responsible within the issuer on true and fair view (TD Article 4(1)(c))
- Half-yearly financial reports (TD Article 5)

## Other requirements

- PIE definition (AD Article 2(1))
- Categorisation of undertakings and changes among categories, translation of national currency amounts to euro (AD Article 3)
- Restrictions on distribution of certain reserves and profits:
  - profits of an associate (AD Article 9(7))

### Disclaimer

This paper is a working document for the sole purpose of informing discussions with the transposition delegates from Member States on the potential issue in this document relating to the Accounting Directive (2013/34/EU). Statements and opinions given in this paper are tentative and do not necessarily represent the correct interpretation of current and forthcoming EU legislation. According to the Treaty on the Functioning of the EU, the Court of Justice has the sole jurisdiction to interpret the acts of the institutions of the Community. The use of this document should be restricted only to competent authorities, including standard setters.

This paper may not be complete.

- restrictions due to development costs and due to formation expenses (AD Article 12(11))
- Requirements of CMD
- Triggers (situations) for consolidation and exempted situations (AD Article 21, AD Article 22, AD Article 23, TD Article 4(3))
- Filing of a statement instead of notes to the consolidated financial statements (AD Article 28(3))
- Publication / filing / disclosure (AD Article 30, AD Article 31(1), AD Article 32, BAD Article 44, IAD Article 68, TD Article 4(1), TD Article 19(1), TD Article 21(1))
- Collective responsibility of management (AD Article 33, TD Article 7)
- Audit (AD Chapter 8, BAD Article 45, TD Article 4(4))
- Rules for PIEs (AD Article 40)
- Sanctions (AD Article 51, TD Article 24(4)(h), TD Chapter VIA, TD Chapter VIB)
- Annual financial reports of issuers to be prepared in the European Single Electronic Format (Article 4(7))

### **Extra disclosures (both for the annual and for the consolidated financial statements)**

#### *For all entities*

- Information about the undertaking (AD Article 5): information necessary to identify the register in which the file is kept about the undertaking, and the number of the undertaking in that register
- Amounts of emoluments and advances and credits granted to management (AD Article 16(1)(e), AD Article 17(1)(d), AD Article 28(1)(c))
- Average number of employees (AD Article 16(1)(h), AD Article 17(1)(e), AD Article 28(1)(b))
- Name and registered office of undertakings in which participating interest is held + info on capital and reserves (AD Article 17(1)(g))
- Name, head or registered office and legal form of each undertaking in which the undertaking is a member having unlimited liability (AD Article 17(1)(k))
- Registered office of the ultimate parent (AD Article 17(1)(l))
- Name and registered office of the intermediate parent of the subgroup (AD Article 17(1)(m))
- Place where consolidated financial statements of the ultimate and intermediate parent is available (AD Article 17(1)(n))
- Total fees by auditors for statutory audit, assurance services, tax advising and other non-audit services (AD Article 18(1)(b))
- Additional information about the composition of the group (AD Article 28(2))
- Any necessary disclosure if an exemption is used

#### *For credit institutions*

- Information about subordinated liabilities (BAD Article 40(2))

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- Maturity table of loans and advances granted and certain liabilities (BAD Article 40(3)(a))
- Amounts of debt securities with a residual maturity of less than a year (BAD Article 40(3)(b))

*For insurance undertakings*

- In the context of IFRS 4: IAD not applicable for financial reporting purposes
- In the context of IFRS 17: IAD not applicable for financial reporting purposes
  
- **Green colour**: Correspondence with Council Statement 8301/030 ADD 1

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