# Companies: valuation of annual and consolidated accounts, financial information (amend. Directives 78/660/EEC, 83/349/EEC)

2000/0043(COD) - 24/04/2001

The committee adopted the report by Lord INGLEWOOD (EPP-ED, UK) amending the Commission proposal under the codecision procedure (1st reading). While mainly endorsing both the philosophy and the content of the Commission·s proposals, the committee sought to clarify and improve the wording of the text. The amendments were aimed inter alia at clarifying the scope of application of companies to which fair value accounting could be applied as well as financial instruments and commodity based contracts to which fair value should be applied under fair value accounting. On the key issue of information-related matters, the committee adopted several amendments aimed at giving Member States the possibility of exempting small companies from additional disclosure on derivatives when fair value for financial instruments was not applied, or at allowing information not to be provided if it was insignificant. The committee also wanted to introduce fair value for financial instruments for banks and other financial institutions (which were currently excluded from the directive), arguing that these were among the most frequent users of derivative financial instruments and the application of fair value to them would foster market transparency and market discipline.