Capital market, financial services: application of international accounting standards

2001/0044(COD) - 26/02/2002

The committee adopted the report by Lord INGLEWOOD (EPP-ED, UK) broadly endorsing the Commission proposal under the codecision procedure (1st reading), subject to a number of amendments. It sought, for example, to omit the requirement that companies preparing to be listed on regulated markets should also prepare consolidated accounts in accordance with IAS, as it feared that this might lead to disproportionate financial reporting requirements for small businesses. MEPs believed it should be left to Member States to choose whether to require non-traded companies to publish financial statements in accordance with the same set of standards as those for publicly-traded companies. In another amendment the committee said that Member States should be allowed to exempt certain companies temporarily from the requirement to apply IAS. These would be companies publicly traded both in the EU and on a regulated third country market which are already applying another set of internationally accepted standards, as well as companies which only have publicly-traded debt securities. However, this exemption would only be allowed until 2007. Finally, the committee stated that implementing measures for the new regulation should be adopted with due regard to the declaration made to Parliament by the President of the Commission on 5 February 2002, which acknowledged Parliament's right to be fully involved in the implementation of financial services legislation.