Capital market, financial services: application of international accounting standards

2001/0044(COD) - 19/07/2002 - Final act

PURPOSE : the adoption of international accounting standards (IAS). COMMUNITY MEASURE : Regulation 1606/2002 of the European Parliament and of the Council on the application of international accounting standards. CONTENT : This Regulation has as its objective the adoption and use of IAS in the Community with a view to harmonising the financial information presented by certain companies in order to ensure a high degree of transparency and comparability. For each financial year starting on or after 01 /01/05, companies governed by the law of a Member State will prepare their consolidated accounts in accordance with the IAS if, at their balance sheet date, their securities are admitted to trading on a regulated market of any Member State within the meaning of Article 1(13) of Council Directive 93/22 /EEC. With regard to annual accounts, Member States have the option to permit or require publicly traded companies to prepare them in conformity with IAS adopted in accordance with the procedure laid down in this Regulation. Member States may decide as well to extend this permission or requirement to other companies as regards the preparation of their consolidated accounts or their annual accounts. Member States are allowed to defer the application of certain provisions until 2007 for those companies publicly traded both in the Community and on a regulated third-country market which are already applying another set of internationally accepted standards as the primary basis for their consolidated accounts, as well as for companies which have only publicly traded debt securities. ENTRY INTO FORCE : 14/09/02.