Insurance undertakings: annual and consolidated accounts and standards IAS (amend. Directives 78 /660, 83/349, 91/674/EEC)

2002/0112(COD) - 18/06/2003 - Final act

PURPOSE : To remove inconsistencies between EU Accounting legislation and the International Accounting Standard (IAS). COMMUNITY MEASURE : Directive 2003/51/EC of the European Parliament and of the Council amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674 /EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings. CONTENT : This Directive seeks to remove all existing conflicts between the Accounting Directives listed above and IAS. It also seeks to ensure that optional accounting treatments currently available under IAS are available to EU companies which continue to have the Accounting Directives as the basis of their accounting legislation. The IAS Regulation introduced the requirement that, from 2005 onwards, all listed companies prepare their consolidated accounts in accordance with IAS adopted for application within the Community. It also provided an option for Member States to permit or require the application of adopted IAS in the preparation of annual accounts and to permit or require the application of adopted IAS by unlisted companies. The annual and consolidated accounts of undertakings covered by Directives 78/660/EEC and 83/349/EEC which are not prepared in accordance with the IAS Regulation will continue to have those Directives as the primary source of their Community accounting requirements. This directive ensures that there is a level playing field exists between Community companies which apply IAS and those which do not. In addition: - Member States will be able to modify the presentation of the profit and loss account and balance sheet in accordance with international developments, as expressed through standards issued by the International Accounting Standards Board (IASB); - Member States will be able to permit or require the application of revaluations and of fair value in accordance with international developments, as expressed through standards issued by the IASB; - the annual report must include at least a fair review of the development and performance of the company's business and of its position, together with a description of the principal risks and uncertainties that it faces. The review must be a balanced and comprehensive analysis of the development and performance of the company's business and of its position, consistent with the size and complexity of the business. The analysis must include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters; - Member States may choose to exempt certain companies from the obligation above in so far as it relates to non-financial information; - there are specific requirements relating to the obligations of statutory auditors; - insurance undertakings may also be allowed to use fair-value accounting as expressed through appropriate standards issued by the IASB. DATE OF TRANSPOSITION : 01/01/05. ENTRY INTO FORCE : 17/07/03.