Basic information

2000/0043(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Companies: valuation of annual and consolidated accounts, financial information (amend. Directives 78/660/EEC, 83/349/EEC) **Subject** 3.45.03 Financial management of undertakings, business loans, accounting	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs and Internal Market	INGLEWOOD The Lord null (PPE-DE)	25/05/2000

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	2351	2001-05-30

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	

Key events

Date	Event	Reference	Summary
24/02/2000	Legislative proposal published	COM(2000)0080	Summary
17/03/2000	Committee referral announced in Parliament, 1st reading		
24/04/2001	Vote in committee, 1st reading		Summary
24/04/2001	Committee report tabled for plenary, 1st reading	A5-0130/2001	
03/05/2001	Debate in Parliament		

15/05/2001	Decision by Parliament, 1st reading	T5-0241/2001	Summary
30/05/2001	Act adopted by Council after Parliament's 1st reading		
27/09/2001	Final act signed		
27/09/2001	End of procedure in Parliament		
27/10/2001	Final act published in Official Journal		

Technical information

Procedure reference	2000/0043(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC Treaty (after Amsterdam) EC 044
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0130/2001	24/04/2001	
Text adopted by Parliament, 1st reading/single reading		T5-0241/2001 OJ C 034 07.02.2002, p. 0023-0091 E	15/05/2001	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2000)0080  OJ C 311 31.10.2000, p. 0001 E	24/02/2000	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0797/2000 OJ C 268 19.09.2000, p. 0001	12/07/2000	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Directive 2001/0065
OJ L 283 27.10.2001, p. 0028 Summary

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

2000/0043(COD) - 15/05/2001 - Text adopted by Parliament, 1st reading/single reading

The European Parliament endorsed the report by Lord INGLEWOOD (EPP/ED, UK) on amending Directives 78/660/EEC and 83/349/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies. (Please refer to the prvious text). The House voted to include banks and other financial institutions as these are among the most frequent users of derivative financial instruments. The application of fair value of them will foster market transparency and market discipline. The amendments, while broadly endorsing the Commisson's proposals, aim to clarify and improve the wording of the text and also make a number of substantive changes to it. The amendments also seek to clarify which categories of company, as well as which financial instruments and commodity based contracts, fair value accounting should be applied to. The purpose of the proposal is to bring EU legislation into line with the new International Accounting Standards (IAS). In order to take account of the widespread use of derivative financial instruments such as futures, options, forward contracst and swaps, the IAS have moved away from the 'historical cost' valuation model on which the existing directives are based ("historical cost" being the price actually paid for an asset or liability) towards "fair value accounting" (where an item is valued at today's market value).

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

2000/0043(COD) - 24/02/2000 - Legislative proposal

PURPOSE : To amend Directives 78/660/EEC and 83/349/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies in order to conform with new accounting standards caused by increasing use of derivatives. CONTENT : The accounting requirements set out in the above Accounting Directives reflect the consensus views of users and preparers of accounts and accounting standard setters that were held at the time the Directives were adopted. Since then, the international financial markets have seen the increasingly widespread use of various forms of derivative financial instruments. The growth in their use has outstripped the accounting guidance of the Directives. The Commission proposes changes in the Directives that keep them in line with the International Accounting Standards (IAS). IAS rules have moved away from the historical cost valuation model to "fair value accounting". The Commission's key proposals incorporate this move. The balance sheet items that cannot be valued at fair value are specified. The proposed amendment is not directed at SMEs since they are generally not the companies that use derivative financial instruments.

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

2000/0043(COD) - 27/09/2001 - Final act

PURPOSE: To amend Directives 78/660/EEC, 86/349/EEC and 86/635/EEC concerning the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions. COMMUNITY MEASURE: Directive 2001/65/EC of the European Parliament and of the Council. CONTENT: Historical accounting methods for the valuation of financial instruments such as shares, bonds, futures, options, forward contracts and swaps, are moving towards a new form of model for fair value accounting. In line with this development, the International Accounting Standards Committee (IASC) has been devising new international accounting standards taking account of such changes. It is of great importance thus that EU legislation keep abreast of these changes to ensure that, where necessary EU accounting laws remain consistent with the international scene. This new Directive allows European companies to report in conformity with current international developments as regards fair value. Essentially the purpose is to allow the application of the international accounting standard dealing with the recognition and measurement of financial instruments. ENTRY INTO FORCE: 01/01/2004.