

DECISIONS

COMMISSION IMPLEMENTING DECISION (EU) 2015/1612

of 23 September 2015

amending Decision 2008/961/EC on the use by third countries' issuers of securities of certain third country's national accounting standards and International Financial Reporting Standards to prepare their consolidated financial statements

(notified under document C(2015) 6369)

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC ⁽¹⁾, and in particular the third subparagraph of Article 23(4) thereof,

Whereas:

- (1) Pursuant to Article 23 of Directive 2004/109/EC, third-country issuers may be exempted from the requirement of preparing consolidated accounts according to International Financial Reporting Standards (IFRS) adopted in the Union if the Generally Accepted Accounting Principles (GAAP) of the third country in question lay down equivalent requirements. In order to assess the equivalence of that third country's GAAP with adopted IFRS, Commission Regulation (EC) No 1569/2007 ⁽²⁾ provides for the definition of equivalence and establishes a mechanism for the determination of equivalence of the GAAP of a third country.
- (2) It is important to assess the efforts of those countries which have taken steps to converge their accounting standards to or adopt IFRS. Therefore, Regulation (EC) No 1569/2007 should be amended to extend the period of temporary equivalence until 31 March 2016.
- (3) Commission Decision 2008/961/EC ⁽³⁾ provided that prior to financial years starting on or after 1 January 2015, third-country issuers are permitted to prepare their annual and half-yearly consolidated financial statements in accordance with the Indian GAAP.
- (4) The government of India and the Indian Institute of Chartered Accountants made a public commitment to adopt IFRS by 31 December 2011 with the aim that Indian GAAP would be fully IFRS-compliant by that date. This process has been delayed. In October 2014, the European Securities and Markets Authority (ESMA) submitted to the Commission a report on the equivalence of Indian GAAP. In this report ESMA observed that Indian GAAP appear to have a number of differences from IFRS which could be significant in practice.
- (5) In March 2014 the Indian Institute of Chartered Accountants published a new roadmap for implementation of convergence of Indian GAAP with IFRS. On 2 January 2015, the Ministry of Corporate Affairs of India announced a revised roadmap for the implementation of Indian GAAP that will be converged with IFRS. This roadmap foresees the mandatory use of Indian GAAP, converged with IFRS, by all listed companies for accounting periods beginning on or after 1 April 2016. However, uncertainties remain about the timetable for the implementation of an IFRS-compliant reporting system and IFRS enforcement.

⁽¹⁾ OJ L 390, 31.12.2004, p. 38.

⁽²⁾ Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council (OJ L 340, 22.12.2007, p. 66).

⁽³⁾ Commission Decision 2008/961/EC of 12 December 2008 on the use by third countries' issuers of securities of certain third country's national accounting standards and International Financial Reporting Standards to prepare their consolidated financial statements (OJ L 340, 19.12.2008, p. 112).

- (6) Accordingly, it is appropriate to extend the transitional period until 31 March 2016, in order to allow third-country issuers to prepare their annual and half-yearly financial statements in accordance with the Indian GAAP in the Union. This additional period should be sufficient to allow Indian authorities to complete the convergence of Indian GAAP with IFRS.
- (7) Since the transitional period for which Decision 2008/961/EC granted equivalence to Indian GAAP ended on 31 December 2014, for the sake of legal certainty, this Decision should apply from 1 January 2015.
- (8) Decision 2008/961/EC should therefore be amended accordingly.
- (9) The measures provided for in this Decision are in accordance with the opinion of the European Securities Committee,

HAS ADOPTED THIS DECISION:

Article 1

In the third paragraph of Article 1 of Decision 2008/961/EC the date 1 January 2015 is replaced by the date 1 April 2016.

Article 2

This Decision is addressed to the Member States.

This Decision shall apply from 1 January 2015.

Done at Brussels, 23 September 2015.

For the Commission
Jonathan HILL
Member of the Commission
