

Union programme to support specific activities in the field of financial reporting and auditing (2014-2020)

2012/0364(COD) - 03/04/2014 - Final act

PURPOSE: to establish a Union programme aiming to support specific activities in the field of financial reporting and auditing for the period of 2014-20

LEGISLATIVE ACT: Regulation (EU) No 258/2014 of the European Parliament and of the Council establishing a Union programme to support specific activities in the field of financial reporting and auditing for the period of 2014-20 and repealing Decision No 716/2009/EC.

CONTENT: the Regulation aims to establish a Union programme for the period from 1 January 2014 to 31 December 2020 to **support the activities of bodies** which contribute to the achievement of the policy objectives of the Union in relation to financial reporting and auditing.

Objectives and scope: the crisis in the financial markets which has unfolded since 2008 has put the issue of financial, reporting and auditing at the centre of the Union's political agenda. The objective of the Programme is to improve the conditions for the efficient functioning of the internal market by supporting the transparent and independent development of international financial reporting and auditing standards.

The programme covers activities relating to the development of standards, applying, assessing or monitoring standards or overseeing standard-setting processes by the International Financial Reporting Standards Foundation (**IFRS**) and the European Financial Reporting Advisory Group (**EFRAG**) in the area of financial information or by the Public Interest Oversight Board (**PIOB**) in the field of auditing.

Budget: the financial envelope for the implementation of the Programme for the period 2014 to 2020 shall be **EUR 43 176 000** in current prices, divided as follows:

- for EFRAG: EUR 9 303 000;
- for the IFRS Foundation: EUR 31 632 000;
- for PIOB: EUR 2 241 000.

Financing under the Programme shall be **provided in the form of operating grants awarded on an annual basis**.

Transparency: any beneficiary of funding awarded under the Programme shall indicate in a prominent place, such as a website, that it has received funding from the budget of the Union and a breakdown of figures of other funding from alternative sources.

The Commission shall take appropriate measures to ensure that, when activities financed under the Regulation are implemented, **the financial interests of the Union are protected**.

Evaluation: by 31 March 2014, the Commission shall submit a first report to the on necessary governance reforms in the area of accounting and financial information in respect of EFRAG.

From 2015, the Commission shall prepare an annual report on the activity of the IFRS Foundation as regards the development of IFRS, of PIOB and of EFRAG. If appropriate, the Commission shall submit a legislative proposal to continue financing of EFRAG after 31 December 2016.

No later than 12 months before the end of the Programme, the Commission shall submit a report on the achievement of the Programme's objective.

ENTRY INTO FORCE: 08/04/2014. The Regulation is applicable from 01/01/2014 until 31/12/2020.