



# Fiche de procédure

Basic information		
RSP - Resolutions on topical subjects	2007/2550(RSP)	Procedure completed
Resolution on international accounting standards  Subject 2.10.03 Standardisation, EC/EU standards and trade mark, certification, compliance 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 3.45.03 Financial management of undertakings, business loans, accounting		

Key players		
European Parliament		
European Commission	Commission DG <a href="#">Economic and Financial Affairs</a>	Commissioner ALMUNIA Joaquín

Key events			
12/11/2007	Debate in Parliament		Summary
14/11/2007	Results of vote in Parliament		
14/11/2007	Decision by Parliament	<a href="#">T6-0526/2007</a>	Summary
14/11/2007	End of procedure in Parliament		

Technical information	
Procedure reference	2007/2550(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Resolution on implementing act or powers
Legal basis	Rules of Procedure EP 112-p2
Stage reached in procedure	Procedure completed

Documentation gateway					
Motion for a resolution		<a href="#">B6-0437/2007</a>	07/11/2007	EP	
Text adopted by Parliament, topical subjects		<a href="#">T6-0526/2007</a>	14/11/2007	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2007)6527</a>	18/12/2007	EC	
Commission response to text adopted in plenary		<a href="#">SP(2008)0412</a>	05/02/2008	EC	

## Resolution on international accounting standards

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The House held a debate on international accounting standards.

The motion for a resolution tabled pursuant to Rule 81 of the Rules of Procedure by the Committee on Economic and Monetary Affairs was due to be put to the vote on 14 November 2007.

## Resolution on international accounting standards

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The European Parliament adopted a resolution on the draft Commission regulation amending Regulation (EC) No 1725/2003 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 as regards International Financial Reporting Standard (IFRS) 8, concerning disclosure of operating segments. Parliament accepted the Commission's proposal to endorse IFRS 8, incorporating US Statement of Financial Accounting Standard No 131 into EU law, which would require EU companies listed in the EU to disclose segmental information in accordance with the 'through-the-eyes-of-management' approach. However, it regretted that the impact assessment carried out by the Commission did not sufficiently take into account the interests of users as well as the needs of small and medium-sized companies located in more than one Member State and companies operating only locally.

Parliament recalled that the convergence of accounting rules was not a one-sided process where one party simply copied the financial reporting standards of the other party. It expressed reservations regarding the Commission's analysis that disclosure of geographical information on the basis of IFRS 8 would, in practice, not be reduced compared to the situation under International Accounting Standard 14. Members considered it vital that management continued to provide segmental information sufficient to allow users to assess the risks and drivers of the business in terms of geography, where relevant country-by-country, and business sector. It asked the Commission to report back to Parliament on the outcome of the discussion with the IASB on this issue within six months of the adoption of this Resolution. It also asked the Commission to follow closely the application of IFRS 8 and to report back to Parliament no later than 2011, inter alia, regarding reporting of geographical segments, segment profit or loss and the use of non-IFRS measures. Parliament underlined that, if the Commission discovered deficiencies in the application of IFRS 8, it had a duty to rectify such deficiencies.

Parliament stressed it would actively use its right of scrutiny, and underlined that the IASB/International Accounting Standards Committee Foundation and the Commission in particular must therefore engage more closely with Parliament and EU stakeholders than they have done to date. Failure to do so had caused serious problems such as in the case of IFRS 8. Parliament should be involved at the earliest stages of the standard-setting process in order to avoid significant delays in the endorsement process. It asked that the Commission go beyond voluntary guidelines and support the development of an appropriate accounting standard requiring country-by-country reporting by extractive companies.

Commission should in all cases follow its own principles of better regulation, and in particular as regards international accounting standards, it must ensure that impact assessments are carried out at the earliest stages in the development of those international accounting standards or interpretation and provide the necessary support. Such impact assessments must incorporate quantitative information and reflect a balancing of interests among stakeholders. Parliament stressed the importance of appropriate enforcement of accounting standards, namely the capacity for Parliament properly to exercise its right of scrutiny.