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(Acts whose publication is obligatory)

COMMISSION REGULATION (EC) No 1725/2003**of 29 September 2003****adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council****(Text with EEA relevance)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards⁽¹⁾, and in particular Article 3(3) thereof,

Whereas:

- (1) Regulation (EC) No 1606/2002 requires that for each financial year starting on or after 1 January 2005, publicly traded companies governed by the law of a Member State shall under certain conditions prepare their consolidated accounts in conformity with international accounting standards as defined in Article 2 of that Regulation.
- (2) The Commission, having considered the advice provided by the Accounting Technical Committee, has concluded that the international accounting standards in existence on 14 September 2002 meet the criteria for adoption set out in Article 3 of Regulation (EC) No 1606/2002.
- (3) The Commission has also considered the current improvements projects that propose to amend many existing standards. International accounting standards resulting from the finalisation of these proposals will be considered for adoption once those standards are final. The existence of these proposed amendments to existing standards does not impact upon the Commission's decision to endorse the existing standards, except in the cases of IAS 32 Financial instruments: disclosure and presentation, IAS 39 Financial instruments: recognition and measurement and a small number of interpretations related to these standards, SIC 5 Classification of financial instruments — Contingent settlement provisions, SIC 16 Share capital — reacquired own equity

instruments (treasury shares) and SIC 17 Equity — Costs of an equity transaction.

- (4) The existence of high quality standards dealing with financial instruments, including derivatives, is important to the Community capital market. However, in the cases of IAS 32 and IAS 39, amendments currently being considered may be so considerable that it is appropriate not to adopt these standards at this time. As soon as the current improvement project is complete and revised standards issued, the Commission will consider, as a matter of priority, the adoption of the revised standards further to Regulation (EC) No 1606/2002.
- (5) Accordingly, all international accounting standards in existence on 14 September 2002 except IAS 32, IAS 39 and the related interpretations should be adopted.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee.

HAS ADOPTED THIS REGULATION,

Article 1

The international accounting standards set out in the Annex are adopted.

Article 2

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Union*.

⁽¹⁾ OJ L 243, 11.9.2002, p. 1.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 29 September 2003.

For the Commission
Frederik BOLKESTEIN
Member of the Commission

ANNEX

INTERNATIONAL ACCOUNTING STANDARDS

IAS 1:	Presentation of financial statements (revised 1997)
IAS 2:	Inventories (revised 1993)
IAS 7:	Cash flow statements (revised 1992)
IAS 8:	Profit or loss for the period, fundamental errors and changes in accounting policies (revised 1993)
IAS 10:	Events after the balance sheet date (revised 1999)
IAS 11:	Construction contracts (revised 1993)
IAS 12:	Income taxes (revised 2000)
IAS 14:	Segment reporting (revised 1997)
IAS 15:	Information reflecting the effects of changing prices (reformatted 1994)
IAS 16:	Property, plant and equipment (revised 1998)
IAS 17:	Leases (revised 1997)
IAS 18:	Revenue (revised 1993)
IAS 19:	Employee benefits (revised 2002)
IAS 20:	Accounting for government grants and disclosure of government assistance (reformatted 1994)
IAS 21:	The effects of changes in foreign exchange rates (revised 1993)
IAS 22:	Business combinations (revised 1998)
IAS 23:	Borrowing costs (revised 1993)
IAS 24:	Related party disclosures (reformatted 1994)
IAS 26:	Accounting and reporting by retirement benefit plans (reformatted 1994)
IAS 27:	Consolidated financial statements and accounting for investments in subsidiaries (revised 2000)
IAS 28:	Accounting for investments in associates (revised 2000)
IAS 29:	Financial reporting in hyperinflationary economies (reformatted 1994)
IAS 30:	Disclosures in the financial statements of banks and similar financial institutions (reformatted 1994)
IAS 31:	Financial reporting of investments in joint ventures (revised 2000)
IAS 33:	Earnings per share (1997)
IAS 34:	Interim financial reporting (1998)
IAS 35:	Discontinuing operations (1998)
IAS 36:	Impairment of assets (1998)
IAS 37:	Provisions, contingent liabilities and contingent assets (1998)
IAS 38:	Intangible assets (1998)
IAS 40:	Investment property (2000)
IAS 41:	Agriculture (2001)

INTERPRETATIONS OF THE STANDING INTERPRETATIONS COMMITTEE

SIC-1:	Consistency — Different cost formulas for inventories
SIC-2:	Consistency — Capitalisation of borrowing costs
SIC-3:	Elimination of unrealised profits and losses on transactions with associates
SIC-6:	Costs of modifying existing software
SIC-7:	Introduction of the euro
SIC-8:	First-time application of IASs as the primary basis of accounting
SIC-9:	Business combinations — Classification either as acquisitions or unitings of interests
SIC-10:	Government assistance — No specific relation to operating activities
SIC-11:	Foreign exchange — Capitalisation of losses resulting from severe currency devaluations
SIC-12:	Consolidation — Special purpose entities
SIC-13:	Jointly controlled entities — Non-monetary contributions by venturers
SIC-14:	Property, plant and equipment — Compensation for the impairment or loss of items
SIC-15:	Operating leases — Incentives
SIC-18:	Consistency — Alternative methods
SIC-19:	Reporting currency — Measurement and presentation of financial statements under IAS 21 and IAS 29
SIC-20:	Equity accounting method — Recognition of losses
SIC-21:	Income taxes — Recovery of revalued non-depreciable assets
SIC-22:	Business combinations — Subsequent adjustment of fair values and goodwill initially reported
SIC-23:	Property, plant and equipment — Major inspection or overhaul costs
SIC-24:	Earnings per share — Financial instruments and other contracts that may be settled in shares
SIC-25:	Income taxes — Changes in the tax status of an enterprise or its shareholders
SIC-27:	Evaluating the substance of transactions involving the legal form of a lease
SIC-28:	Business combinations — 'Date of exchange' and fair value of equity instruments
SIC-29:	Disclosure — Service concession arrangements
SIC-30:	Reporting currency — Translation from measurement currency to presentation currency
SIC-31:	Revenue — Barter transactions involving advertising services
SIC-32:	Intangible assets — Web site costs
SIC-33:	Consolidation and equity method — Potential voting rights and allocation of ownership interests

Note: Any appendices to those standards and interpretations are not considered as part of those standards and interpretations and shall therefore not be reproduced.