

Effects of using International Financial Reporting Standards (IFRS) in the EU: public consultation

Fields marked with * are mandatory.

Impact of International Financial Reporting Standards (IFRS) in the EU: public consultation

Purpose of the consultation

The European Commission is holding a public consultation to seek views from all interested parties on their experience of Regulation 1606/2002 ("[the IAS Regulation](#)"). The results of this public consultation will feed into the European Commission's evaluation of the IAS Regulation.

Background

Applying internationally accepted standards - the International Financial Reporting Standards (IFRS) – means standardising companies' financial reporting to make financial statements more transparent and comparable. The ultimate aim is for the EU capital market and the single market to operate efficiently.

Scope of the IAS Regulation

The IAS Regulation states that the IFRS must be applied to the consolidated financial statements of EU companies whose securities are traded on a regulated EU market. EU countries may extend the application of IFRS to consolidated financial statements and separate financial statements ([view an update on the use of options in the EU](#)). The Transparency Directive ([2004/109/EC](#)), as subsequently amended, also stipulates that all issuers (including non-EU ones) whose securities are listed on a regulated market located or operating in an EU country must use IFRS.

Impact of the IAS Regulation

The implementation of IFRS in the EU has had an impact on cross-border transactions, trade, the cost of capital, investor protection, confidence in financial markets and stewardship by management. However, it is difficult to differentiate their impact from that of other significant factors, including other regulatory changes in the EU and internationally.

Developments since adoption

Over 100 countries now use IFRS. These accounting standards have been increasingly discussed at international level (e.g. G20, Basel Committee) and with various interested parties in the EU, especially in the wake of the financial crisis.

Several initiatives concerning technical issues and governance are under way at both international and EU level. In the EU, [the Maystadt report's recommendations](#) are being implemented. These are designed to strengthen the EU's contribution to achieving global and high quality accounting standards by beefing up the role of the European Financial Reporting Advisory Group (EFRAG), which advises the Commission on IFRS matters.

Current Commission evaluation

The Commission is evaluating the IAS Regulation to assess:

- IFRS's actual effects
- how far they have met the IAS Regulation's initial objectives
- whether these goals are still relevant
- any areas for improvement.

This consultation is part of the evaluation process. The questionnaire was drafted with the help of an informal expert group which is to assist the Commission throughout the [process](#).

Target group(s)

Any interested party – commercial, public, academic or non-governmental, including private individuals.

Especially: capital market participants and companies preparing financial statements or using them for investment purposes (whether or not they use IFRS).

Consultation period

7 August — 31 October 2014 (12 weeks).

How to submit your contribution

If possible, to reduce translation and processing time, please reply in one of the Commission's working languages (preferably English, otherwise French or German).

Contributions will be published on this website with your name (unless – in your response – you ask us not to).

N.B.: Please read the specific privacy statement to see how your personal data and contribution will be dealt with.

Reference documents and other, related consultations

- [IAS/IFRS standards & interpretations](#)
- [IFRS Foundation](#)
- [European Financial Reporting Advisory Group \(EFRAG\)](#)
- [Commission reports on the operation of IFRS](#)

Results of public consultation & next steps

The results will be summarised in a technical report and will feed into the evaluation report to be presented by the Commission in line with Article 9.2 of Regulation [258/2014](#).

Questions

Please note that some questions do not apply to all groups of respondents.

Who are you?

1. In what capacity are you completing this questionnaire?

If it's *not* on behalf of an organisation, please indicate that you are a "private individual".*

- Company preparing financial statements [*some specific questions for preparers marked with 'P'*]
- Company using financial statements for investment or lending purposes [*some specific questions for users marked with 'U'*]
- A company that both prepares financial statements and uses them for investment or lending purposes [*some specific questions for preparers and users marked with 'P' and 'U'*]
- Association
- Accounting / audit firm
- Trade union / employee organisation
- Civil society organisation / non-governmental organisation
- Research institution / academic organisation
- Private individual
- Public authority [*one specific question for public authorities marked with 'PA'*]
- Other

1.1. (As a) company preparing financial statements - please specify*

- Industry
- Financial services

1.1.1. Industry - please specify*

- Consumer goods
- Energy
- Healthcare
- Manufacturing
- Information technology
- Materials
- Telecommunications
- Utilities
- Other

1.1.1.1. Other industry - please specify*

1.1.2. Financial services - please specify*

- Banking
- Insurance
- Other

1.1.2.1. Other financial services - please specify*

1.2. (As a) company using financial statements for investment or lending purposes - please specify*

- Equity investor
- Debt investor (i.e. you make investment decisions)
- Financial analyst – sell side
- Financial analyst – buy side
- Lending institution
- Other

1.2.1. Other - please specify*

1.4.1. How many organisations do you represent?*

1.4.2. What type of business do you represent?*

- Industry
- Banking
- Insurance
- Other

1.4.2.1. Other - please specify*

1.10. Public authority - please specify (you can tick more than 1 choice below if you are replying on behalf of more than 1 type of organisation)*

- International organisation
- EU institution
- EU agency
- National standard-setter
- National supervisory authority/ regulator
- Other

1.10.1. Are you replying on behalf of national organisations for which you are acting as coordinator? *

- Yes
- No

1.10.1.1 If so, how many? *

1.10.2. Other - please specify*

1.11. Other - please specify*

2. Where is your organisation/company registered, or where are you are located if you do not represent an organisation/company? Select a single option only.*

- EU-wide organisation
- Global organisation
- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- The Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom
- Norway
- Iceland
- Liechtenstein
- Other European country
- Other

2.1. Other European country - please specify*

2.2. Other - please specify*

3. What is the name of the organisation or authority you represent? If you are part of a group, give the name of the holding company as well.*

3. Please indicate your full name.*

4. In the interests of transparency, we ask organisations to supply relevant information about themselves by registering in the Transparency Register (<http://ec.europa.eu/transparencyregister>). If your organisation is not registered, your submission will be published separately from those of registered organisations. Is your organisation registered in the European Parliament/Commission Transparency Register?*

- Yes
- No

4.1. Please give your registration number.*

5. In the interests of transparency, your contribution will be published on the Commission's website. How do you want it to appear?*

- Under the name supplied? (*I consent to the publication of all the information in my contribution, and I declare that none of it is subject to copyright restrictions that would prevent publication.*)
- Anonymously? (*I consent to the publication of all the information in my contribution except my name/the name of my organisation, and I declare that none of it is subject to copyright restrictions that would prevent publication.*)

P.1. Are you completing the questionnaire with reference to:

*

- a company with securities traded in a regulated capital market
- a company listed in a non-regulated capital market
- a non-listed company
- other

P.1.1 You may select more than one option in the case of dual or cross-listed companies.*

- in one EU country
- in more than one EU country
- in non-EU countries

P.1.1.1. In non-EU countries - please specify which.*

P.1.2. Other - please specify.*

P.2. What size is your company? *

Categories of companies and groups are defined by Article 3 of Directive 2013/34/EU of the European Parliament and the Council of 26 June 2013 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:182:0019:0076:EN:PDF>)

Companies

- Small companies fall below at least 2 of the following 3 criteria:

- (a) balance sheet total: EUR 4 000 000
- (b) net turnover: EUR 8 000 000
- (c) average number of employees during the financial year: 50.

- Medium-sized companies fall below at least 2 of the following 3 criteria:

- (a) balance sheet total: EUR 20 000 000
- (b) net turnover: EUR 40 000 000
- (c) average number of employees during the financial year: 250.

- Large companies exceed at least 2 of the following 3 criteria:

- (a) balance sheet total: EUR 20 000 000
- (b) net turnover: EUR 40 000 000
- (c) average number of employees during the financial year: 250.

Groups

- Small groups consist of parent and subsidiary companies to be consolidated and which, on a consolidated basis, fall below at least 2 of the following 3 criteria on the parent company's balance sheet data:

- (a) balance sheet total: €4 000 000
- (b) net turnover: €8 000 000
- (c) average number of employees during the financial year: 50.

- Medium-sized groups, on a consolidated basis, fall below at least 2 of the following 3 criteria on the balance sheet data of the parent company:

- (a) balance sheet total: €20 000 000
- (b) net turnover: €40 000 000
- (c) average number of employees during the financial year: 250.

- Large groups exceed the limits, on a consolidated basis, of at least 2 of the following 3 criteria on the balance sheet data of the parent company:

- (a) balance sheet total: €20 000 000
- (b) net turnover: €40 000 000
- (c) average number of employees during the financial year: 250.

- small or medium-sized
- large

P.3. How international are your activities in terms of operations, suppliers and customers? You may give more than one answer.

*

- National
- EU-wide
- International

P.3.1. International – please specify.

P.4. Your company / group:

All questions relate to "IFRS as adopted in the EU" and not to "IFRS for small and medium businesses" (the latter was not adopted at EU level). You may select more than one option.

- is required to apply IFRS
- applies IFRS on a voluntary basis
- is a non-IFRS reporter

P.4.1. is required to apply IFRS - please specify.*

- for consolidation purposes
- for individual annual financial statements
- for both consolidation purposes and individual annual financial statements

P.4.2. applies IFRS on a voluntary basis - please specify.*

- for consolidation purposes
- for individual annual financial statements
- for both consolidation purposes and individual annual financial statements

P.4.3. is a non-IFRS reporter - please specify.*

- for consolidated financial statements
- for individual annual financial statements
- for both consolidated and individual annual financial statements

P.5. If you apply IFRS on a voluntary basis, please say why. You may select more than one option.*

- High-quality standards
- Subsidiary of a listed group
- Foreign subsidiaries
- Need to raise capital on global markets
- To be on an equal footing with competitors
- We trade on global markets
- Other

P.5.1 Other - please specify.*

P.5.2. Do you have any comments on any positive or negative impact which this decision may have had?

P.6. If you do not apply IFRS please say why. You may select more than one option.*

- Not permitted under national law
- No intention of being listed
- No benefits expected from applying IFRS
- Costs would outweigh benefits Requirements too complex
- Too difficult to combine with national requirements (e.g. taxation)
- Other
- Never thought about it
- Not applicable

P.6.1 Other - please specify.*

P.6.2. If it were allowed under your national law, would you choose to apply IFRS in your individual annual financial statements or in your consolidated financial statements? *

- Yes
- No
- No opinion
- Not applicable

P.6.2.1. If yes, why? (please tick all that apply)*

- High-quality standards
- Subsidiary of a listed group
- Need to raise capital on global markets
- To be on an equal footing with competitors
- We trade on global markets
- Other

P.6.2.1.1. Other - please specify.*

P.6.2.2. If not, why not? (please tick all that apply)*

- No intention of being listed
- No benefits expected from applying IFRS
- Costs would outweigh benefits
- Requirements too complex
- Too difficult to combine with national requirements (e.g. taxation)
- Other

P.6.2.2.1. Other - please specify.*

P.6.3. Comments.

U.1. As a user, what sectors of industry do you cover? (Please tick all that apply)*

- Industry
- Financial services
- Other

U.1.1. Industry - please specify (you may select more than one option).*

- Consumer goods
- Energy
- Healthcare
- Manufacturing
- Information technology
- Materials
- Telecommunications
- Utilities
- Other

U.1.1.1. Other industry – please specify.*

U.1.2. Financial services - please specify (several choices possible).*

- Banking
- Insurance
- Other

U.1.3. Other than industry and financial services - please specify.*

U.2a.I. How international is your investment portfolio for *equity*?

	Over 70 %	30 - 70 %	Under 30 %	Don't know
Domestic companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other EU companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-EU companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

U.2b.I. How international is your investment portfolio for *debt*?

	Over 70 %	30-70 %	Under 30 %	Don't know
Domestic companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other EU companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-EU companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

U.3.A. If you are an analyst, what type of companies do you cover? Please tick all that apply.

*

- Companies in the country where you are established
- Companies based in other EU countries
- Non-EU companies

Relevance of the IAS Regulation

Objective

6. The rationale for the IAS Regulation, imposing internationally accepted standards - the International Financial Reporting Standards (IFRS) - was to make companies use the same set of accounting standards, thus ensuring a high level of transparency and comparability of financial statements. The ultimate aim was to make the EU capital market and the single market operate efficiently.

In your view, are the Regulation's objectives still valid today?*

- Yes
- No
- No opinion

6.1. Comments.

6.2. If you think the IAS Regulation should pursue new goals in future, what should they be?*

7. The IAS Regulation refers to IFRS as a set of global accounting standards. Over 100 countries use or permit the use of these standards. The US, for instance, allows EU companies listed in the US to report under IFRS. However, it continues to rely on its "generally accepted accounting principles" (GAAPs) for its domestic companies' financial statements, while the EU requires IFRS to be used for the consolidated accounts of EU listed companies.

Has the IAS Regulation furthered the move towards establishing a set of globally accepted high-quality standards?*

- Yes
- No
- No opinion

7.1. Please explain.

Scope

8. The obligation to use IFRS as set out in the IAS Regulation applies to the consolidated financial statements of EU companies whose securities are traded on a regulated market in the EU. There are about 7,000 such firms.

In your view, is the current scope of the IAS Regulation right (i.e. consolidated accounts of EU companies listed on regulated markets)?*

- Yes
- No
- No opinion

8.1. How would you propose it be changed?*

- By making IFRS compulsory for the individual accounts of listed companies on regulated markets
- By making IFRS compulsory for the consolidated accounts of large non-listed companies
- By allowing any company to opt for reporting under IFRS
- Other

8.1.1. Other - please specify.*

8.2. Comments.

9. National governments can decide to extend the application of IFRS to:
- individual annual financial statements of companies listed on regulated markets
 - consolidated financial statements
 - other companies' individual annual financial statements.

In your view, are the options open to national governments:*

- Appropriate
- Too wide
- Too narrow
- No opinion

9.1. Please give details.

Cost-benefit analysis of the IAS Regulation

10. Do you have pre-IFRS experience/ experience of the transition process to IFRS?*

- Yes
- No

10. Do you have pre-IFRS experience/ experience of the transition process to IFRS?*

- Yes
- No

10. Do you have pre-IFRS experience/ experience of the transition process to IFRS?*

- Yes
- No

10. Do you have pre-IFRS experience/ experience of the transition process to IFRS?*

- Yes
- No

12.1. Please elaborate.

13. Have financial statements become easier to understand since the introduction of IFRS, compared with the situation before mandatory adoption?*

- Yes, in general
- Yes, but only in certain areas
- No, in general
- No, except in certain areas
- No opinion

13.1. In which areas?*

13.2. Please elaborate.

15.1. Please provide data / examples if available.

16. In your experience, has the application of IFRS in the EU had a direct effect on the overall cost of capital for your company or the companies you are concerned with? (Please distinguish - as far as possible – the impact of IFRS from other influences, e.g. other regulatory changes in the EU and the international credit crunch and crisis.)*

- Cost has fallen significantly
- Cost has fallen slightly
- No effect
- Cost has risen slightly
- Cost has risen significantly
- No opinion

16.1. Please provide data/ examples if available.

17. In your view, has the application of IFRS in the EU improved protection for investors (compared with the situation before mandatory adoption), through better information and stewardship by management?*

- Yes, to a great extent
- Yes, to a small extent
- It had no impact
- No, protection for investors has worsened
- No opinion

17.1. Please provide data/ examples if available.

18. In your view, has the application of IFRS in the EU helped maintain confidence in financial markets, compared with the likely situation if it had not been introduced?

(N.B.: the “enforcement” section of this questionnaire deals with how IFRS are/ were applied.)*

- Yes, to a great extent
- Yes, to a small extent
- It had no impact
- No, confidence in financial markets has decreased
- No opinion

18.1. Please provide data/ examples if available.

19. Do you see other benefits from applying IFRS as required under the IAS Regulation?*

- Yes
- No
- No opinion

19.1. Yes - please specify (you may select more than 1 option).*

- Improved ability to trade/expand internationally
- Improved group reporting in terms of process
- Robust accounting framework for preparing financial statements Administrative savings
- Group audit savings
- Other

19.1.1. Other - please specify.*

19.2. If yes, please give details, with examples/ data if possible.

20. In your experience, on balance and at global level, how do the benefits of applying IFRS compare to any additional costs incurred – compared with the situation before mandatory adoption, bearing in mind the increasing complexity of businesses that accounting needs to portray?*

- Benefits significantly exceed the costs
- Benefits slightly exceed the costs
- Benefits and costs are broadly equal
- Costs slightly exceed the benefits
- Costs significantly exceed the benefits
- No opinion

20.1. Please provide any additional comments you think might be helpful.

P7+U4. Has the application of IFRS in the EU influenced the need for other non-IFRS based information ("non-GAAP" information) to explain companies' financial performance, compared with the situation before mandatory adoption?*

- Significantly increased
- Slightly increased
- No change
- Slightly reduced
- Significantly reduced
- No opinion

P7+U4.1. Please elaborate.

U.5. How have IFRS affected your ability to assess stewardship by management (including understanding companies' current performance, financial position, and generation of cash flows)?*

- Significantly improved
- Slightly improved
- No change
- Slightly worsened
- Significantly worsened
- No opinion

U.6. How have IFRS affected your ability to estimate future cash flows for the companies you are covering?

*

- Significantly improved
- Slightly improved
- No change
- Slightly worsened
- Significantly worsened
- No opinion

U.7. In your experience, does the ongoing application of IFRS (excluding costs relating to the initial transition to IFRS) significantly change recurring costs for the analysis and benchmarking of companies – when compared with other costs that your company would otherwise have incurred if IFRS had not been applied?*

- Increased by large amount
- Slightly increased
- No change
- Slightly reduced
- Reduced by a large amount
- No opinion

U.7.1. Please specify any additional costs or savings relating to analysing and benchmarking companies that apply IFRS, by comparison with non-IFRS reporters.*

P.8. In your experience, is the ongoing application of IFRS costing you more than compliance with alternative standards would have done?

By this we mean: Does it significantly change any administrative, compliance or other costs incurred by your company (e.g. IT developments, costs for additional staff, training, advisory services, external audit, additional expertise/valuation), when compared with other costs that your company would otherwise have incurred to comply with alternative standards (excluding costs arising from the initial transition to IFRS)?*

- Increased by large amount
- Slightly increased
- No change
- Slightly reduced
- Reduced by a large amount
- No opinion

P.8.1. Please specify any additional costs or savings relating to the preparation and communication of financial statements for your company.*

P.8.2. How much are these additional costs or savings as a share of your turnover*?

P.9. In your experience, have the costs of IFRS preparation changed significantly over time for your company since you adopted IFRS (e.g. IT developments, cost of additional staff, training, advisory services, external audit, additional expertise/valuation) – when compared with other costs that your company would otherwise have incurred to comply with alternative standards?

Please take into account any impact that regular amendments may have had on existing standards or the introduction of new standards by the International Accounting Standards Board (IASB).*

- Increased by large amount
- Slightly increased
- No change
- Slightly decreased
- Decreased by a large amount
- No opinion

P.9.1. What are the main drivers of cost changes? *

P.9.2. How much are these costs or savings as a share of your turnover?*

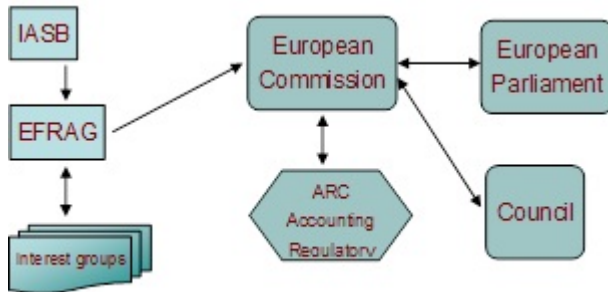
PA.1. How would you rate the administrative and regulatory burden for your authority (e.g. reporting, enforcement) arising from the ongoing application of IFRS (excluding costs relating to the initial transition to IFRS)?

If you are an EU agency, please give only a consolidated EU-level response on behalf of the authorities whose responses you are coordinating.*

- No significant impact
- Some impact
- Heavy burden
- No opinion

Endorsement mechanism & criteria

The EU's IFRS endorsement process



In the EU, IFRS are adopted on a standard-by-standard basis. The procedure is as follows:

- The International Accounting Standards Board (IASB) issues a standard.
- The European Financial Reporting Advisory Group (EFRAG) holds consultations, advises on endorsement and examines the potential impact.
- The Commission drafts an endorsement regulation.
- The Accounting Regulatory Committee (ARC) votes and gives an opinion.
- The European Parliament and Council examine the standard.
- The Commission adopts the standard and publishes it in the Official Journal.

This process typically takes 8 months.

Endorsement criteria

Under Article 3.2 of the IAS Regulation, any IFRS to be adopted in the EU must:

- be consistent with the "true and fair" view set out in the EU's [Accounting Directive](#)
- be favourable to the public good in Europe
- meet basic criteria on the quality of information required for financial statements to serve users (i.e. statements must be understandable, relevant, reliable and comparable, they must provide the financial information needed to make economic decisions and assess stewardship by management).

In his October 2013 [report](#), Mr Maystadt discussed the possibility of clarifying the "public good" criterion or adding 2 other criteria as components of the public good, namely that:

- any accounting standards adopted should not jeopardise financial stability
- they must not hinder the EU's economic development.

He also suggested that more thorough analysis of compliance with the criteria of prudence and respect for the public good was needed.

21. In the EU, IFRS are adopted on a standard-by-standard basis. The process, which typically takes 8 months, is as follows:

- The International Accounting Standards Board (IASB) issues a standard.
- The European Financial Reporting Advisory Group (EFRAG) holds consultations, advises on endorsement and examines the potential impact.
- The Commission drafts an endorsement regulation.
- The Accounting Regulatory Committee (ARC) votes and gives an opinion.
- The European Parliament and Council examine the standard.
- The Commission adopts the standard and publishes it in the Official Journal.

Do you have any comments on the way the endorsement process has been or is being conducted (e.g. in terms of the interaction of players, consistency, length, link with effective dates of standards, outcome, etc.)?*

22. Under Article 3.2 of the IAS Regulation, any IFRS to be adopted in the EU must:

- be consistent with the "true and fair" view set out in the EU's [Accounting Directive](#)
- be favourable to the public good in Europe
- meet basic criteria on the quality of information required for financial statements to serve users (i.e. statements must be understandable, relevant, reliable and comparable, they must provide the financial information needed to make economic decisions and assess stewardship by management).

Are the endorsement criteria appropriate (sufficient, relevant and robust)?*

- Yes
- Yes, to some extent
- No
- No opinion

22.1. In his October 2013 [report](#), Mr Maystadt discussed the possibility of clarifying the "public good" criterion or adding 2 other criteria as components of the public good:

- *that any accounting standards adopted should not jeopardise financial stability*
- *that they must not hinder the EU's economic development.*

Please give any suggestion(s) you may have for additional criteria.

- Not jeopardising the EU's financial stability
- Not hindering economic development in the EU
- Not impeding the provision of long-term finance
- More explicit reference to the concept of prudence
- Consistency with other adopted IFRS
- Criterion concerning simplicity/proportionality
- Other

22.1.1 Other - please specify.*

22.2. Comments.

23. There is a necessary trade-off between the aim of promoting a set of globally accepted accounting standards and the need to ensure these standards respond to EU needs. This is why the IAS regulation limits the Commission's freedom to modify the content of the standards adopted by the IASB.

Does the IAS Regulation reflect this trade-off appropriately, in your view? *

- Yes
- No
- No opinion

23.1. If not, do you think the IAS Regulation should allow the Commission more leeway to modify standards adopted by the IASB? What conditions should be stipulated?*

24. Have you experienced any significant problems due to differences between the IFRS as adopted by the EU and the IFRS as published by the IASB ("carve-out" for IAS 39 concerning macro-hedging allowing banks to reflect their risk-management practices in their financial statements)? *

- Yes
- No
- No opinion

24.1. If so, please explain the nature of the problem and how it has (or has not) been resolved. *

Quality of IFRS financial statements

25. What is your overall opinion of the quality (transparency, understandability, relevance, reliability and comparability) of financial statements prepared by EU companies using IFRS?*

- Very good
- Good
- Moderate
- Low
- Very low
- No opinion

25.1. Please provide any additional comments you think might be helpful.

26. Given that firms have complex business models and transactions, how would you rate financial statements prepared in accordance with IFRS in terms of complexity and understandability?*

- Very complex & difficult to understand
- Fairly complex & difficult to understand
- Reasonable
- Not complex or difficult
- No opinion

26.1. Please provide any further comments you think might be helpful, specifying any particular areas of accounting concerned, if appropriate.

27. How would you rate financial statements prepared using IFRS in terms of complexity and understandability – compared with other sets of standards you use?

	IFRS information is easier to understand than...	IFRS information is neither easier nor more difficult to understand than ...	IFRS information is more difficult to understand than ...	No opinion
Your local GAAPs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any other GAAPs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

27.1. What are your local GAAPs?

27.2. Please identify other GAAPs you are using as a basis for comparison.

27.3. Please provide any additional comments you think might be helpful.

28. How do IFRS compare with other GAAPs in terms of providing a true and fair view of a company's (group's) performance and financial position?

	IFRS are better than...	IFRS are equivalent to...	IFRS are worse than...	No opinion
Your local GAAPs (as identified under question 27)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any other GAAPs (as identified under question 27)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

28.1. Please provide any additional comments you think might be helpful.

29. How often is it necessary to depart from IFRS under “extremely rare circumstances” (as allowed by IFRS), to reflect the reality of a company’s financial performance and position in a fairer way?*

- Often
- Sometimes
- Hardly ever
- Never
- No opinion

29.1. Please provide additional comments and examples of departures from IFRS that you have seen.

30. How would you rate the extent to which IFRS allows you to reflect your company's business model in your financial statements?*

- This is not an issue
- IFRS are flexible enough
- IFRS should be more flexible, so different business models can be reflected
- No opinion

30.1. Please explain.*

Enforcement

Since 2011, the European Securities and Markets Authority (ESMA) has been coordinating national enforcers' operational activities concerning compliance with IFRS in the EU. ESMA has taken over where the Committee of European Securities Regulators (CESR) left off.

Enforcement activities regarding companies listed on regulated markets are defined in the Transparency Directive ([2004/109/EC](#) , as subsequently amended).

31. Are the IFRS adequately enforced in your country?*

- Yes
- Yes, to some extent
- No
- Not applicable
- No opinion

31.1. Please provide any additional comments you think might be helpful.

32. Does ESMA coordinate enforcers at EU level satisfactorily? *

- Yes
- Yes, to some extent
- No
- Not applicable
- No opinion

32.1. Please provide any additional comments you think might be helpful.

33. Has enforcement of accounting standards in your country changed with the introduction of IFRS?*

- Enforcement is now more difficult
- Same
- Enforcement is now easier
- Not applicable
- No opinion

33.1. Please provide any specific relevant examples.

34. In your experience, have national law requirements influenced the application of IFRS in the EU country or countries in which you are active? *

- Yes, significant influence
- Yes, small influence
- No
- No opinion
- Not applicable

34.1. If you have identified differences in the way IFRS are applied in different EU countries, to what extent does this limit the transparency and comparability of company financial statements? *

- Much less transparent & comparable
- Slightly less transparent & comparable
- No impact on transparency or comparability
- No opinion

34.1.1. Please detail.

35. If you are aware of any significant differences in enforcement between EU countries or with other jurisdictions, do they affect your practice in applying IFRS or analysing financial statements? *

- Yes, significantly
- Yes, but the impact is limited
- No
- No opinion
- Not applicable

35.1. Please provide specific details.

36. The recitals of the IAS Regulation stress that a system of rigorous enforcement is key to investor confidence in financial markets. However, the Regulation contains no specific rules on penalties or enforcement activities, or their coordination by the EU.

Should the IAS Regulation be clarified as regards penalties and enforcement activities?*

- Yes
- No
- No opinion

36.1. Please explain.*

37. Should more guidance be provided on how to apply the IFRS? *

- Yes
- No
- No opinion

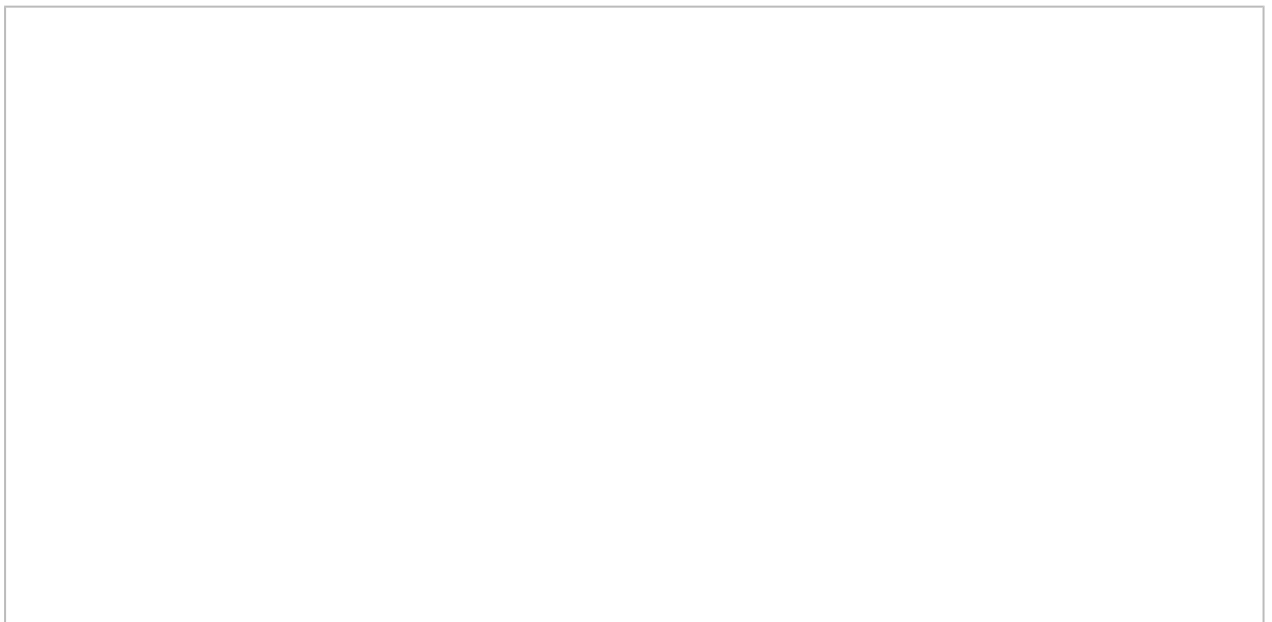
37.1. If so, by whom? Please detail. *



Consistency of EU law

There are different types of reporting requirements in the EU (e.g. prudential requirements, company law, tax, etc.)

38. How would you assess the combined effects of, and interaction between, different reporting requirements, including prudential ones? *



39. Do you see any tensions in interaction between the IAS Regulation and EU law, in particular:

	No	Yes	To some extent	No opinion
Prudential regulations (banks, insurance companies)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company law	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

39.1. Other - please specify.*

39.2. If you answered "yes" or "to some extent", please give details and state what the main effects of these tensions are.*

User-friendliness of legislation

All standards are translated into the official EU languages before they are adopted. The Commission also regularly draws up a consolidated version of the current standards enacted by the EU (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:02008R1126-20130331:EN:NOT>). The consolidated version does not include any standards that are not yet in force, but can be applied before the date of entry into force.

40. Are you satisfied with the **consolidated version** of *IFRS standards adopted by the EU*, which is not legally binding, or would you like to see improvements?

- Satisfied
- Need for improvements
- I wasn't aware of it
- I don't use it
- No opinion

40.1. Need for improvements - please specify. *

41. Are you satisfied with the quality of translation of IFRS into your language provided by the EU? *

- Yes
- Yes, to some extent
- No
- No opinion
- Not applicable

41.1. Please give details.

General

42. Do you have any other comments on or suggestions about the IAS Regulation?

Thank you for your valuable contribution.