Commission Regulation (EU) 2020/2097 of 15 December 2020 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 4 (Text with EEA relevance)

COMMISSION REGULATION (EU) 2020/2097

of 15 December 2020

amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 4

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

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(1) thereof,

Whereas:

(1) By Commission Regulation (EC) No 1126/2008[(2)] certain international accounting standards and interpretations that were in existence on 15 October 2008 were adopted.

(2) On 25 June 2020, the International Accounting Standards Board published the Extension of the Temporary Exemption from Applying IFRS 9 (amendments to International Financial Reporting Standard (IFRS) 4 *Insurance Contracts*).

(3) The amendments to IFRS 4 aim to address the temporary accounting consequences of the different effective dates of IFRS 9 *Financial Instruments* and the forthcoming IFRS 17 *Insurance Contracts*. In particular, the amendments to IFRS 4 extend the expiry date of the temporary exemption from applying IFRS 9 until 2023 in order to align the effective date of IFRS 9 with the new IFRS 17.

(4) Commission Regulation (EU) 2017/1988[(3)] set the expiry date of the optional deferral of the application of IFRS 9 for entities that predominantly undertake insurance activities, including the insurance sector of a financial conglomerate falling within the scope of Directive 2002/87/EC of the European Parliament and of the Council[(4)], at 1 January 2021.

(5) Those entities should be permitted to defer the use of IFRS 9 from 1 January 2021 until 1 January 2023.

(6) Following consultations with the European Financial Reporting Advisory Group, the Commission concludes that the amendments to IFRS 4 meet the criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EU) 2020/2097. (See end of Document for details)*

(7) Regulation (EC) No 1126/2008 should therefore be amended accordingly.

(8) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee,

HAS ADOPTED THIS REGULATION:

Article 1

In the Annex to Regulation (EC) No 1126/2008, International Financial Reporting Standard (IFRS) 4 *Insurance Contracts* is amended as set out in the Annex to this Regulation.

Article 2

Each company and each financial conglomerate as defined in Article 2 of Regulation (EU) 2017/1988 shall apply the amendments referred to in Article 1 of this Regulation as from 1 January 2021 for financial years starting on or after 1 January 2021.

Article 3

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

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

Done at Brussels, 15 December 2020.

For the Commission

The President

Ursula VON DER LEYEN