Commission Regulation (EU) No 475/2012 of 5 June 2012 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 Accounting Standard (IAS) 1 and International Accounting Standard (IAS) 19 (Text with EEA relevance)

COMMISSION REGULATION (EU) No 475/2012

of 5 June 2012

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 Accounting Standard (IAS) 1 and International Accounting Standard (IAS) 19

(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 standards and interpretations that were in existence at 15 October 2008 were adopted.

(2) On 16 June 2011, the International Accounting Standards Board (IASB) published Amendments to IAS 1 Presentation of Financial Statements - *Presentation of Items of Other Comprehensive Income* (hereinafter "the amendments to IAS 1") and to IAS 19 *Employee Benefits*, (hereinafter "the amendments to IAS 19"). The objective of the amendments to IAS 1 is to make the presentation of the increasing number of items of other comprehensive income clearer, and to assist the users of financial statements in distinguishing between the items of other comprehensive income that can be reclassified subsequently to profit or loss, and those that will never be reclassified to profit or loss. As to the amendments to IAS 19, they should help users of financial statements better understand how defined benefit plans affect an entity's financial position, financial performance and cash flows. The objective of the standard is to prescribe the accounting and disclosure for employee benefits.

(3) The consultation with the Technical Expert Group (TEG) of the European Financial Reporting Advisory Group (EFRAG) confirms that the amendments to IAS 1 and the amendments to IAS 19 meet the technical criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.

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

Changes to legislation: *There are outstanding changes not yet made to Commission Regulation (EU) No 475/2012. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(5) 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 Annex to Regulation (EC) No 1126/2008 is amended as follows:

(1) International Accounting Standard (IAS) 1 *Presentation of Financial Statements* is amended as set out in the Annex to this Regulation;

(2) International Financial Reporting Standard (IFRS) 1, IFRS 5, IFRS 7, IAS 12, IAS 20, IAS 21, IAS 32, IAS 33, and IAS 34 are amended in accordance with the amendments to IAS 1 as set out in the Annex to this Regulation;

(3) International Accounting Standard (IAS) 19 *Employee Benefits* is amended as set out in the Annex to this Regulation;

(4) International Financial Reporting Standard (IFRS) 1, IFRS 8, IFRS 13, IAS 1, IAS 24, and Interpretation 14 of the Standing Interpretations Committee (SIC) are amended in accordance with the amendments to IAS 19 as set out in the Annex to this Regulation.

Article 2

1 Each company shall apply the amendments referred to in points (1) and (2) of Article 1, at latest, as from the commencement date of its first financial year starting on or after 1 July 2012.

2 Each company shall apply the amendments referred to in points (3) and (4) of Article 1, at latest, as from the commencement date of its first financial year starting on or after 1 January 2013.

Article 3

This Regulation shall enter into force on the third 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.

***Changes to legislation:** There are outstanding changes not yet made to Commission Regulation (EU) No 475/2012. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

ANNEX

INTERNATIONAL ACCOUNTING STANDARDS

IAS 1	**IAS 1 Presentation of Financial Statements - *Presentation of Items of Other Comprehensive Income***
IAS 19	**IAS 19 *Employee Benefits***

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AMENDMENTS TO IAS 1 *Presentation of Financial Statements*

Paragraph 7 is amended.

7 The following terms are used in this Standard with the meanings specified:

…

Notes contain information in addition to that presented in the statement of financial position, statement(s) of profit or loss and other comprehensive income, …

Paragraph 10 is amended, paragraph 10A is added and paragraph 12 is deleted.

10 A complete set of financial statements comprises:

… a statement of profit or loss and other comprehensive income for the period;

…

An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title ‘statement of comprehensive income’ instead of ‘statement of profit or loss and other comprehensive income’.

10A An entity may present a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections. The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section. An entity may present the profit or loss section in a separate statement of profit or loss. If so, the separate statement of profit or loss shall immediately precede the statement presenting comprehensive income, which shall begin with profit or loss.

The headings above paragraphs 81 and 82 and paragraph 82 are amended and paragraph 81 is deleted. Paragraphs 81A and 81B, a heading and paragraph 82A are added and paragraphs 83 and 84 are deleted.

Statement of profit or loss and other comprehensive income

81A The statement of profit or loss and other comprehensive income (statement of comprehensive income) shall present, in addition to the profit or loss and other comprehensive income sections:

(a) profit or loss;

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(b) total other comprehensive income;

(c) comprehensive income for the period, being the total of profit or loss and other comprehensive income.

If an entity presents a separate statement of profit or loss it does not present the profit or loss section in the statement presenting comprehensive income.

81B An entity shall present the following items, in addition to the profit or loss and other comprehensive income sections, as allocation of profit or loss and other comprehensive income for the period:

(a) profit or loss for the period attributable to:

(i) non-controlling interests, and

(ii) owners of the parent.

(b) comprehensive income for the period attributable to:

(i) non-controlling interests, and

(ii) owners of the parent.

If an entity presents profit or loss in a separate statement it shall present (a) in that statement.
Information to be presented in profit or loss section or the statement of profit or loss

82 In addition to items required by other IFRSs, the profit or loss section or the statement of profit or loss shall include line items that present the following amounts for the period:

(a) revenue;

(b) finance costs;

(c) share of the profit or loss of associates and joint ventures accounted for using the equity method;

(d) tax expense;

(e) [deleted]

(ea) a single amount for the total of discontinued operations (see IFRS 5).

(f)–(i) [deleted]
Information to be presented in the other comprehensive income section

82A The other comprehensive income section shall present line items for amounts of other comprehensive income in the period, classified by nature (including share of the other comprehensive income of associates and joint ventures accounted for using the equity method) and grouped into those that, in accordance with other IFRSs:

(a) will not be reclassified subsequently to profit or loss; and

(b) will be reclassified subsequently to profit or loss when specific conditions are met.

Paragraphs 85–87, 90, 91, 94, 100 and 115 and the heading above paragraph 97 are amended and paragraph 139J is added.

***Changes to legislation:** There are outstanding changes not yet made to Commission Regulation (EU) No 475/2012. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

85 An entity shall present additional line items, headings and subtotals in the statement(s) presenting profit or loss and other comprehensive income when such presentation is relevant to an understanding of the entity's financial performance.

86 Because the effects of an entity's various activities, transactions and other events differ in frequency, potential for gain or loss and predictability, disclosing the components of financial performance assists users in understanding the financial performance achieved and in making projections of future financial performance. An entity includes additional line items in the statement(s) presenting profit or loss and other comprehensive income and it amends the descriptions used and the ordering of items when this is necessary to explain the elements of financial performance. …

87 An entity shall not present any items of income or expense as extraordinary items, in the statement(s) presenting profit or loss and other comprehensive income or in the notes.

90 An entity shall disclose the amount of income tax relating to each item of other comprehensive income, including reclassification adjustments, either in the statement of profit or loss and other comprehensive income or in the notes.

91 An entity may present items of other comprehensive income either:

(a) net of related tax effects, or

(b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those.

If an entity elects alternative (b), it shall allocate the tax between the items that might be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to the profit or loss section.

94 An entity may present reclassification adjustments in the statement(s) of profit or loss and other comprehensive income or in the notes. An entity presenting reclassification adjustments in the notes presents the items of other comprehensive income after any related reclassification adjustments.

Information to be presented in the statement(s) of profit or loss and other comprehensive income or in the notes

100 Entities are encouraged to present the analysis in paragraph 99 in the statement(s) presenting profit or loss and other comprehensive income.

115 In some circumstances, it may be necessary or desirable to vary the order of specific items within the notes. For example, an entity may combine information on changes in fair value recognised in profit or loss with information on maturities of financial instruments, although the former disclosures relate to the statement(s) presenting profit or loss and other comprehensive income and the latter relate to the statement of financial position. Nevertheless, an entity retains a systematic structure for the notes as far as practicable.

139J *Presentation of Items of Other Comprehensive Income* (Amendments to IAS 1), issued in June 2011, amended paragraphs 7, 10, 82, 85–87, 90, 91, 94, 100 and 115, added paragraphs 10A, 81A, 81B and 82A, and deleted paragraphs 12, 81, 83 and 84. An entity shall apply those amendments for annual periods beginning on or after 1 July 2012. Earlier application is permitted. If an entity applies the amendments for an earlier period it shall disclose that fact.

AMENDMENTS TO OTHER IFRSS

This appendix sets out the amendments to other IFRSs that are a consequence of the Board issuing the amendments to IAS 1 *Presentation of Financial Statements.* An entity shall apply