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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<sup>(1)</sup>, 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*.

<sup>(1)</sup> 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*

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