



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 22.12.2006
COM(2006) 918 final

2006/0298 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending

**Regulation (EC) No 1606/2002 on the application of international accounting standards
as regards the implementing powers conferred on the Commission**

(presented by the Commission)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending

**Regulation (EC) No 1606/2002 on the application of international accounting standards
as regards the implementing powers conferred on the Commission**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 95(1) thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Economic and Social Committee²,

Acting in accordance with the procedure laid down in Article 251 of the Treaty,

Whereas:

- (1) Regulation (EC) No 1606/2002³ provides that certain measures are to be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁴.
- (2) Decision 1999/468/EC has been amended by Decision 2006/512/EC which introduced a regulatory procedure with scrutiny to be used for the adoption of implementing measures of general scope which seek to amend non-essential elements of a basic instrument adopted in accordance with the procedure referred to in Article 251 of the Treaty, including by deleting some of those elements or by supplementing the instrument by the addition of new non-essential elements..
- (3) In accordance with the joint statement of the European Parliament, the Council and the Commission⁵ on Decision 2006/512/EC, instruments which are already in force must be adjusted in accordance with the applicable procedures. That statement indicates a list of instruments which should be adjusted as a matter of urgency, including Regulation (EC) No 1606/2002.

¹ OJ C , , p. .

² OJ C , , p. .

³ OJ L 243, 11.9. 2002, p.1.

⁴ OJ L184, 17.7.1999, p.23. Decision as amended by Decision 2006/512/EC (OJ L 200 , 22.7.2006, p.11).

⁵ OJ C255, 21.10.2006, p.1.

- (4) In particular power should be conferred on the Commission to decide on the applicability within the Community of international accounting standards. Since those measures are of general scope and are designed to supplement Regulation (EC) No 1606/2002 by the addition of new non-essential elements, they should be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.
- (5) Situations may arise where newly issued accounting standards, amendments to existing accounting standards or interpretations of existing accounting standards cannot, under the new procedure, be adopted by the EU before the end of the calendar year. This could have adverse effects on investor understanding and thus confidence because companies have to continue applying earlier accounting standards or interpretations which have since become out of date. In the above circumstances, it is necessary, for reasons of urgency, to allow the Commission to take measures implementing Regulation 1606/2002 according to the procedure of Article 5a(6) of Decision 1999/468/EC.
- (6) Regulation (EC) No 1606/2002 should therefore be amended accordingly.

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation 1606/2002 is amended as follows:

- (1) Article 3(1) is amended as follows:
 - (a) the terms “in accordance with the procedure referred to in article 6(2)” are deleted;
 - (b) the following sentence is added:

”Those measures, designed to amend non-essential elements of this regulation by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in article 6(2).”
- (2) Article 6 is amended as follows:
 - (a) paragraph 2 is replaced by the following:

“2. Where reference is made to this paragraph, Article 5a(1) to (4) and Article 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.”

”The Commission may, in exceptional and duly justified cases and on imperative grounds of urgency, make use of Article 5a(1), (2), (4) and (6) of Decision 1999/468/EC.”
 - (b) paragraph 3 is deleted.

Article 2

This Regulation shall enter into force on the 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,

For the European Parliament
The President

For the Council
The President