

PRESS RELEASE 11/47

■ HALF-YEARLY FINANCIAL STATEMENTS FROM ISSUERS OF SECURITIES SUBJECT TO THE TRANSPARENCY LAW: REMINDER OF CERTAIN DISCLOSURE REQUIREMENTS ARISING FROM IAS 34

In its mission for ensuring that the provisions of the law of 11 January 2008 on transparency requirements for issuers of securities (hereafter referred to as the "Transparency Law") are applied, the CSSF ensures that the information referred to in this law is drawn up in accordance with the relevant reporting framework.

Based on a sample of 116 issuers whose half-yearly financial statements for the year 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS), the CSSF has reviewed the compliance with disclosure requirements regarding the standard IAS 34 "Interim Financial Reporting". Furthermore, issuers who failed in their obligation of filing their 2011 half-yearly financial statements at the latest two months after the end of the relevant period, have been reminded or ordered to respect the requirements of Article 4 of the Transparency Law or even sanctioned for not complying with the mentioned requirements.

The results of this review lead the CSSF to remind some disclosure requirements regarding IAS 34 that should be respected in the half-yearly financial statements, consolidated or not, drawn up in accordance with IFRS.

Thus, IAS 34 requires entities whose debt or equity instruments are traded in a public market to disclose information regarding its operating segments, as defined by the standard IFRS 8 "Operating Segments", in relation to revenues from external customers, intersegment revenues and the measure of segment profit or loss. Furthermore, entities shall include the total assets for which there has been a material change from the amount disclosed in the last annual financial statements, a description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss and a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax and discontinued operations. Based on the results of this review, the CSSF noted that, for 22% of the issuers reviewed, the segment reporting disclosure requirements of this standard were incomplete or missing.

Furthermore, the CSSF has also noted other inconsistencies or breaches with regard to the presentation and the notes of the half-yearly financial statements and would thus like to remind issuers of a certain number of disclosure requirements addressed by IAS 34. Hence, this standard requires entities to disclose:

- an explicit statement of compliance with IFRSs or more specifically with IAS 34;
- half-yearly financial statements for periods or dates as follows:
 - a statement of financial position as of the end of the current half-yearly period and a comparative statement of financial position as of the end of the immediately preceding financial year,
 - statements of comprehensive income for the current half-yearly period and cumulatively for the current financial year to date, with comparative statements of comprehensive income for the comparable half-yearly periods (current and year-to-date) of the immediately preceding financial year.

As permitted by IAS 1, an half-yearly report may present for each period either a single statement of comprehensive income, or a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income),

- a statement of changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year,
- a statement of cash flows cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year;
- dividends paid separately for ordinary shares and other shares;
- a statement indicating that the same accounting policies and methods of computation are followed in the half-yearly financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change.

These reminders are the result of a general review of disclosure requirements addressed by IAS 34. They should not, in any case, anticipate any results of other specific reviews carried out by the CSSF in its mission for monitoring the published financial information by issuers of securities subject to the Transparency Law. Even if, this year, the CSSF has decided not to individually remind all of the 55 issuers concerned by the inconsistencies or breaches observed of those requirements, in 2012, each issuer who will fail to comply with the requirements of IAS 34 will be reminded or ordered to respect the requirements of the above-mentioned standard, or even sanctioned for not complying with this standard.

Further information relating to the review of the CSSF, in its mission for ensuring that the provisions of Article 22(2)(h) of the Transparency Law are applied, can be found in its 2010 Annual Report, which is available on its website under the heading [Publications > Annual Report](#).

Luxembourg, 9 December 2011

