

PRESS RELEASE 13/51

■ REVIEW OF 2013 HALF-YEARLY FINANCIAL STATEMENTS OF ISSUERS SUBJECT TO THE TRANSPARENCY LAW

As for previous periods, the CSSF has reviewed the 2013 half-yearly financial statements prepared in accordance with International Financial Reporting Standards (hereafter referred to as the “IFRS standards”), filed by the issuers of securities under the law of 11 January 2008 on transparency requirements for issuers of securities (hereafter referred to as the “Transparency Law”). Based on a sample of 115 issuers covered by this review, the CSSF has assessed the compliance of their half-yearly financial statements with the main disclosure requirements of applicable IFRS standards, among others IAS 34 “Interim Financial Reporting”, focusing particularly on the impacts in 2013 of the newly applicable standards and amendments to the existing standards.

Among all the breaches noted, some are directly related to the new requirements applicable in 2013 to the half-yearly financial statements prepared in accordance with IFRS standards. In that respect, the CSSF reminds the following:

- **New accounting policies:** when the accounting policies or the methods of computation applied in the half-yearly financial statements have been changed, IAS 34 requires the description of the nature and effect of those changes. Thus, the CSSF has noted that, among the effective amendments applicable in the 2013 half-yearly financial statements, the impacts of the first application of the revised IAS 19 “Employee Benefits”, of IFRS 13 “Fair Value Measurement” and the amendments to IAS 1 “Presentation of Financial Statements”, have not been sufficiently described, in particular when these amendments were material for the issuer;
- **Disclosure on the fair value of financial instruments:** paragraph 16A(j) of IAS 34, requires the disclosure of certain information in relation to the fair value of financial instruments as provided for by IFRS 7 and IFRS 13. The CSSF has noted that the disclosures required by this newly applicable paragraph were sometimes missing or incomplete;
- **Presentation of the other comprehensive income section:** paragraph 82A of IAS 1 requires separate disclosure of the items that compose the “other comprehensive income” and that will be reclassified subsequently to profit or loss. The CSSF has noted that the distinction required by this newly applicable paragraph was not always made.

In addition to these aspects, mainly related to the requirements applicable for the first time in the 2013 half-yearly financial statements, the CSSF has also noted some recurring infringements, in particular related to comparative figures. Therefore, the CSSF recalls that the comparative periods to be presented in the half-yearly financial statements are clearly defined in paragraph 20 of IAS 34 and requires the concerned issuers to comply with these requirements.

Also, reminders, orders to comply or sanctions have been addressed to the issuers for which the breaches and inconsistencies noted during the review of the 2013 half-yearly financial statements have been considered as significant. In particular, the CSSF has requested 8 issuers to issue amended 2013 half-yearly financial statements.

These facts and reminders issued through this press release are the result of a general review of the disclosure requirements addressed by IAS 34 and other standards applicable to the preparation of half-yearly financial statements. They should not, in any case, anticipate any results of other specific reviews carried out by the CSSF in its mission for monitoring the financial information published by issuers of securities subject to the Transparency Law.

Commission de Surveillance du Secteur Financier

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 2012 Annual Report, which is available on its website under the heading Publications > Annual Report.

Luxembourg, 29 November 2013

