

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

European Securities and Markets Authority (ESMA) Public Statement on the Treatment of Forbearance Practices in IFRS Financial Statements of Financial Institutions

The Authority would like to draw your attention to the following:

On the 20th December, 2012 the European Securities and Markets Authority (ESMA) issued a Press Release (refer to **Annex I**) in relation to a Public Statement on the Treatment of Forbearance Practices in IFRS Financial Statements of Financial Institutions (refer to **Annex II**).

The statement deals with the definition of forbearance practices, their impact on the impairment of financial assets and the specific disclosures relating to forbearance activities that listed financial institutions should include in their IFRS financial statements for the year ending 31 December 2012.

In its statement ESMA highlights the importance for issuers to provide the relevant disclosure related to the exposures to assets that are subject to forbearance measures in order to comply with the requirements of IFRS 7 – *Financial Instruments: Disclosures*.

Contacts

Should you have any queries on the above ESMA statement, please do not hesitate to contact: Mr Edward Grech egrech@mfsa.com.mt or Ms Stephanie Buhagiar Camilleri scamilleri@mfsa.com.mt, from the Securities and Markets Supervision Unit.

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