

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular addressed to Listed Issuers -

ESMA Report on Enforcement and Regulatory Activities of Accounting Enforcers in 2015

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

On the 29 March 2016 the European Securities and Markets Authority (ESMA) has published its annual report on the enforcement and regulatory activities of accounting enforcers within the European Union in 2015.

ESMA and national enforcers examined 189 listed issuers' compliance with International Financial Reporting Standards (IFRS), across 26 countries, in the areas identified by the 2014 European Common Enforcement Priorities. The examination resulted in enforcement action against 40 (21%) issuers with regulators finding shortcomings in the disclosure of assumptions and judgements related to the:

- i. Recognition, measurement and disclosures of deferred tax assets arising from tax losses;
- ii. Assessment of control over an entity in the absence of majority equity interest or majority shareholding rights; and
- iii. Classification of joint arrangements.

In 2016 accounting enforcers will review issuers' compliance with IFRS in line with the common enforcement priorities for 2015, focusing on, among other areas, the impact of the financial markets conditions on the financial statements, the statement of cash flows and related disclosures as well as the fair value measurement of non-financial assets and related disclosures.

A copy of the full report can be accessed through the following [link](#).

Contacts

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