

Circular

Listed Issuers Must Focus on New IFRS Standards 2017 Annual Financial Reports

1.0 Background

The European Securities and Markets Authority (ESMA) has on Friday 27th October 2017 published the priorities to be considered by listed companies, and their auditors, when preparing and auditing their 2017 financial statements. These priorities are set out in the annual [Public Statement on European Common Enforcement Priorities \(Statement\)](#), through which ESMA promotes the consistent application of the International Financial Reporting Standards (IFRS).

The 2017 enforcement priorities encompass:

- Disclosure of the expected impact of the implementation of major new standards in the period of their initial application: ESMA stresses the need for high-quality implementation of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers and for enhancing the communication of their expected impact. [The importance of improving disclosures in this area is also supported by a fact-finding exercise conducted by ESMA and that accompanies the Statement.](#)
- Specific issues relating to IFRS 3 Business Combinations and IAS 7 Statement of Cash Flows: ESMA reminds issues of the continued relevance of issues already highlighted in its 2014 Report on IFRS 3. Regarding IAS 7, ESMA reminds issuers of the importance of specific disclosure aspects.

In addition, this year's priorities emphasise the importance of measurement and disclosure of non-performing loans by credit institutions, the ongoing relevance of the fair presentation of financial performance and the disclosure on the impact of Brexit. ESMA also highlights that the 2017 year-end will be the first time that the requirements of the amended Accounting Directive to disclose non-financial and diversity information will become applicable for certain large groups and undertakings.

MFSA

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Contacts

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