

17 May 2022

ESMA Reminds Issuers of the Main IFRS Requirements Amid the War in Ukraine

1.0 Background

Reference is made to the [Public Statement](#) issued by the European Securities and Markets Authority ('ESMA') on 13 May 2022, on the implications of Russia's invasion of Ukraine on half-yearly financial reports.

2.0 Key Message

ESMA recognizes the human cost of Russia's military aggression against Ukraine, and the significant challenges to business activities and effects on the global economic and financial system posed by the invasion. The Public Statement is addressed to both issuers and auditors with the aim of promoting investor protection. Key messages include:

- A reminder of the main IFRS requirements which may be applicable in the context of Russia's invasion of Ukraine e.g. impairment of non-financial and financial assets, and loss of control;
- ESMA's expectations regarding disclosures in financial statements e.g. judgements made, significant uncertainties and going concern risks;
- ESMA's expectations regarding disclosures in interim management reports e.g. direct and indirect impact of Russia's invasion of Ukraine and imposed sanctions on issuers' strategic orientation and targets, operations, financial performance, financial position and cash flows, measures taken to mitigate the impacts, and cybersecurity risks; and
- A reminder of issuers' obligations vis-à-vis the Market Abuse Regulation.

3.0 Next Steps

ESMA expects issuers (in particular their management and supervisory bodies) and their auditors to consider the messages of the statement when preparing and where applicable, reviewing interim financial reports.

ESMA and the European enforcers will focus on ensuring that adequate transparency is provided regarding the impacts and implications of Russia's invasion of Ukraine in financial information published by European issuers.

4.0 Contacts

Should you have any queries relating to the above, kindly contact the Authority on transparency@mfsa.mt.