Question for written answer E-000216/2015
to the Commission
Rule 130
Bernd Kölmel (ECR)

Subject: Discrepancy between EFSF and accounting practices of banks and insurance companies

In 2012 the European Securities and Markets Authority ESMA examined the annual accounts of 42 of the EU's biggest banks and insurance companies, which held Greek government bonds to the tune of some EUR 80 billion and, like EFSF, prepared their accounts in accordance with IFRS. ESMA was pleased to be able to report that without exception all financial institutions had identified 'impairment', i.e. the need for a value adjustment in the case of the Greek government bonds (ESMA Report 2012/482: 'Review of Greek Government Bonds accounting practices in the IFRS Financial Statements for the year ended 31 December 2011', p. 3). The vast majority of the institutions had written down between 70 and 80 % of the debt.

If EFSF, which currently has claims against Greece in the sum of some EUR 140 billion, were to apply the IFRS accounting rules in exactly the same way as ESMA apparently expects banks and insurance companies to do, EFSF would have to write down some EUR 100 billion.

ESMA's tasks include the short-, medium- and long-term stability and effectiveness of the financial system. The stability of the financial system in the USA was rocked in the ENRON accounts scandal, in which the false balance sheets were far smaller:

1. Why is it that EFSF's accounting practices in the case of Greek debts were not examined in the ESMA Report 2012/48, even though EFSF is equally subject to IFRS and a major issuer of securities?

2. Did ESMA examine EFSF's accounting practices in any other way?

3. If so, what was the outcome?