



**PE589.375v01-00**

22.9.2016

# **AMENDMENTS**

## **1 - 19**

**Draft motion for a resolution**

**Roberto Gualtieri**

(PE589.282v01-00)

International Financial Reporting Standards: IFRS 9

AM\_Com\_NonLegRE

**Amendment 1**  
**Sven Giegold**  
on behalf of the Verts/ALE Group

**Draft motion for a resolution**  
**Recital D**

*Draft motion for a resolution*

D. whereas ***there is a*** debate on the impact of fair value accounting on long-term investment;

*Amendment*

D. whereas ***the controversy and*** debate on the impact of fair value accounting on long-term investment ***is accentuated by the absence of a quantitative impact assessment on the subject matter;***

Or. en

**Amendment 2**  
**Fabio De Masi**

**Draft motion for a resolution**  
**Recital D**

*Draft motion for a resolution*

D. whereas there ***is a debate on*** the impact of fair value accounting on long-term investment;

*Amendment*

D. whereas there ***are doubts concerning*** the impact of fair value accounting on long-term investment; ***whereas in the worst case IFRS 9 can lead to short-term profit maximisation rather than to stable long-term investment which may foster boom and bust cycles;***

Or. en

**Amendment 3**  
**Sven Giegold**  
on behalf of the Verts/ALE Group

**Draft motion for a resolution**  
**Recital D a (new)**

*Draft motion for a resolution*

*Amendment*

***Da. whereas the recognition of unrealized gains under fair value accounting might be considered as a violation of the Capital Maintenance Directive and the Accounting Directive; whereas the Commission is currently undertaking a comparison of Member States' practices with regard to dividend distribution;***

Or. en

**Amendment 4  
Fabio De Masi**

**Draft motion for a resolution  
Recital D a (new)**

*Draft motion for a resolution*

*Amendment*

***Da. whereas the principle of prudence has to be the key guiding principle for any accounting standard;***

Or. en

**Amendment 5  
Fabio De Masi**

**Draft motion for a resolution  
Recital D b (new)**

*Draft motion for a resolution*

*Amendment*

***Db. whereas the new standard appears to be equally complex, if not more, as its predecessor IAS 39; whereas the initial goal was to reduce complexity;***

Or. en

**Amendment 6**  
**Fabio De Masi**

**Draft motion for a resolution**  
**Recital D c (new)**

*Draft motion for a resolution*

*Amendment*

*Dc. whereas there are strong doubts as regards the independence and objectivity of the international standard setting bodies which are comprised of private ‘experts’; whereas as a consequence the accounting standard setting process is not only internationalised but also monopolised and centralised;*

Or. en

**Amendment 7**  
**Sven Giegold**  
on behalf of the Verts/ALE Group

**Draft motion for a resolution**  
**Paragraph 1 a (new)**

*Draft motion for a resolution*

*Amendment*

*Ia. Acknowledges that IFRS 9 constitutes an improvement compared to IAS 39 insofar as the move from an ‘incurred loss’ to an ‘expected loss’ impairment model addresses the problem of ‘too little, too late’ in the loan loss recognition procedure; notes that, however, IFRS 9 involves a great deal of judgement in the accounting process; underlines that there are huge differences of opinion and little concrete guidance from auditors in this respect; calls, therefore, on the Commission and EFRAG to develop detailed guidance to prevent any abuse of management discretion;*

Or. en

## **Amendment 8**

**Pervenche Berès**

on behalf of the S&D Group

### **Draft motion for a resolution**

#### **Paragraph 2**

##### *Draft motion for a resolution*

2. Recalls the requests made regarding IFRS 9 in its resolution of 7 June 2016 on IAS Evaluation and on the activities of the IFRS Foundation, EFRAG and PIOB;

##### *Amendment*

2. ***While not opposing to Commission regulation amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 9***, recalls the requests made regarding IFRS 9 in its resolution of 7 June 2016 on IAS Evaluation and on the activities of the IFRS Foundation, EFRAG and PIOB;

Or. en

## **Amendment 9**

**Sven Giegold**

on behalf of the Verts/ALE Group

### **Draft motion for a resolution**

#### **Paragraph 3**

##### *Draft motion for a resolution*

3. Recalls that the better regulation approach requires an impact assessment; notes the absence of a proper quantitative impact assessment for IFRS 9 which is also due to a lack of reliable data; underlines the need to better understand the impact of IFRS 9 on the banking sector, insurance sector, and the financial markets in general, but also on the financial sector as a whole;

##### *Amendment*

3. Recalls that the better regulation approach requires an impact assessment; notes the absence of a proper quantitative impact assessment for IFRS 9 which is also due to a lack of reliable data; underlines the need to better understand the impact of IFRS 9 on the banking sector, insurance sector, and the financial markets in general, but also on the financial sector as a whole; ***re-iterates, therefore, its request to the IASB and EFRAG to strengthen their impact analyses capacity, notably in the***

**Amendment 10**

**Sven Giegold**

on behalf of the Verts/ALE Group

**Draft motion for a resolution**

**Paragraph 5**

*Draft motion for a resolution*

5. Notes the importance to fully understand the interaction of IFRS 9 with other regulatory requirements; welcomes the on-going EBA impact assessment of IFRS 9 on banks in the EU aiming at a better understanding of its impact on regulatory own funds, of its interaction with other prudential requirements and of the way institutions are preparing for the application of IFRS 9;

*Amendment*

5. Notes the importance to fully understand the interaction of IFRS 9 with other regulatory requirements; welcomes the on-going EBA impact assessment of IFRS 9 on banks in the EU aiming at a better understanding of its impact on regulatory own funds, of its interaction with other prudential requirements and of the way institutions are preparing for the application of IFRS 9; ***notes that banks using the Standardised Approach might probably be the most affected by a reduction in their Core Equity Tier 1 capital; calls, therefore, on the Commission to foresee appropriate steps in the prudential framework, e.g. introducing in the Capital Requirements Regulation a progressive phase-in regime, to avoid any sudden unwarranted impact on banks' capital ratios and lending;***

**Amendment 11**

**Sylvie Goulard, Enrique Calvet Chambon, Cora van Nieuwenhuizen**

**Draft motion for a resolution**

**Paragraph 5 a (new)**

*Draft motion for a resolution*

*Amendment*

***5a. Asks the Commission to commit to***

*setting up a proper interim prudential treatment by the end of 2017, within the CRR framework, that will offset the impact of the new impairment model for a 3 year period or until an adequate international solution has been set up;*

Or. en

## **Amendment 12**

**Pervenche Berès**

on behalf of the S&D Group

### **Draft motion for a resolution**

#### **Paragraph 6**

##### *Draft motion for a resolution*

6. Notes the misalignment of the effective dates of IFRS 9 and the upcoming new insurance standard IFRS 17; notes that the IASB has issued amendments to IFRS 4 addressing some of the concerns; calls on the Commission with the support of EFRAG to carefully *assess whether these provisions are* satisfactory and adequate for the EU;

##### *Amendment*

6. Notes the misalignment of the effective dates of IFRS 9 and the upcoming new insurance standard IFRS 17; notes that the IASB has issued amendments to IFRS 4 addressing some of the concerns, *notably relating to the use of the optional deferral approach*; calls on the Commission with the support of EFRAG to carefully *address this issue in a* satisfactory and adequate *manner* for the EU;

Or. en

## **Amendment 13**

**Sylvie Goulard, Enrique Calvet Chambon**

### **Draft motion for a resolution**

#### **Paragraph 6 a (new)**

##### *Draft motion for a resolution*

##### *Amendment*

**6a. Asks the Commission to commit to extending the deferral approach proposed by the IASB to insurance entities below reporting entity level. This will ensure a level playing field within the European insurance industry;**



#### **Amendment 14**

**Sven Giegold**

on behalf of the Verts/ALE Group

#### **Draft motion for a resolution**

##### **Paragraph 7**

###### *Draft motion for a resolution*

7. Underlines the importance of long-term investment for economic growth; is concerned that accounting treatment under IFRS 9 of certain financial instruments held directly or indirectly as long-term investment, in particular equity, could go against the overall aim of promoting long-term investment; calls on the Commission to make sure that IFRS 9 serves the EU-long-term investment strategy;

###### *Amendment*

7. Underlines the importance of long-term investment for ***sustainable*** economic growth; is concerned that accounting treatment under IFRS 9 of certain financial instruments held directly or indirectly as long-term investment, in particular equity, could go against the overall aim of promoting long-term investment; calls on the Commission to make sure that IFRS 9 serves the EU-long-term investment strategy ***and - if needed - to cooperate with the IASB and national and third-country standard setters to obtain support for modifications or, in the absence of such support, to provide in EU law for appropriate changes;***

#### **Amendment 15**

**Sylvie Goulard, Enrique Calvet Chambon**

#### **Draft motion for a resolution**

##### **Paragraph 7**

###### *Draft motion for a resolution*

7. Underlines the importance of long-term investment for economic growth; is concerned that accounting treatment under IFRS 9 of certain financial instruments held directly or indirectly as long-term investment, in particular equity, could go against the overall aim of promoting long-

term investment; calls on the Commission to make sure that IFRS 9 serves the EU-long-term investment strategy; ***calls on the Commission to assess the situation and, in the meantime, to consider the suspension of enforcing IFRS 9 for some entities which are legally obliged to set aside assets to cover long-term liabilities;***

Or. en

**Amendment 16**  
**Fabio De Masi**

**Draft motion for a resolution**  
**Paragraph 7**

*Draft motion for a resolution*

7. Underlines the importance of long-term investment for economic growth; is concerned that accounting treatment under IFRS 9 of certain financial instruments held directly or indirectly as long-term investment, in particular equity, could go against the overall aim of promoting long-term investment; calls on the Commission to make sure that IFRS 9 serves the EU-long-term investment strategy;

*Amendment*

7. Underlines the importance of long-term investment for economic growth; is concerned that accounting treatment under IFRS 9 of certain financial instruments held directly or indirectly as long-term investment, in particular equity, could go against the overall aim of promoting long-term investment; calls on the Commission to make sure that IFRS 9 serves the EU-long-term investment strategy ***and reduces pro-cyclicality and incentives of excessive risk-taking; calls on the Commission to come forward with an evaluation no later than December 2017;***

Or. en

**Amendment 17**  
**Pervenche Berès**  
on behalf of the S&D Group

**Draft motion for a resolution**  
**Paragraph 7**

*Draft motion for a resolution*

7. Underlines the importance of long-term investment for economic growth; is concerned that accounting treatment under IFRS 9 of certain financial instruments held directly or indirectly as long-term investment, in particular equity, could go against the overall aim of promoting long-term investment; calls on the Commission to make sure that IFRS 9 serves the EU-long-term investment strategy;

*Amendment*

7. Underlines the importance of long-term investment for economic growth; is concerned that accounting treatment under IFRS 9 of certain financial instruments held directly or indirectly as long-term investment, in particular equity, could go against the overall aim of promoting long-term investment; calls on the Commission to make sure that IFRS 9 serves the EU-long-term investment strategy; ***calls on the Commission to come forward with an evaluation no later than December 2017;***

Or. en

**Amendment 18**

**Sven Giegold**

on behalf of the Verts/ALE Group

**Draft motion for a resolution**

**Paragraph 7 a (new)**

*Draft motion for a resolution*

*Amendment*

***7a. Welcomes Commission's current initiative to compare Member States' practices with regard to dividend distribution; calls on the Commission to ensure compliance of IFRS 9 with the Capital Maintenance Directive and the Accounting Directive and - if needed - to cooperate with the IASB and national and third-country standard setters to obtain support for modifications or, in the absence of such support, to provide in EU law for appropriate changes;***

Or. en

**Amendment 19**

**Syed Kamall**

on behalf of the ECR Group

**Draft motion for a resolution**  
**Paragraph 8**

*Draft motion for a resolution*

8. Calls on the Commission together with the European Supervisory Agencies (ESAs), the ECB, the European Systemic Risk Board (ESRB) and EFRAG to closely monitor the implementation of IFRS 9 in the EU and to prepare an ex post impact assessment no later than June 2019;

*Amendment*

8. Calls on the Commission together with the European Supervisory Agencies (ESAs), the ECB, the European Systemic Risk Board (ESRB) and EFRAG to closely monitor the implementation of IFRS 9 in the EU and to prepare an ex post impact assessment no later than June 2019, ***and to present this assessment to the European Parliament and act in conjunction with its views;***

Or. en