

WRITTEN QUESTION P-1962/03
by Georges Berthu (NI)
to the Commission

Subject: Future accounting standards in the insurance sector

For several months, banking and insurance professionals have been exposing the dangers of across-the-board application of the future IAS accounting standards to their professions. While financing practices involve the pooling of risks, the use of standard IAS 39 may very well produce an untrue picture of the actual position of firms on the date of closure of accounts because it takes market value as the basis for valuing assets and liabilities.

My Written Question P-2507/02¹ drew the Commission's attention to the risks posed by this method. In a detailed reply dated 15 October 2002, Commissioner Bolkestein stated that the Commission was expecting fresh proposals from the IAS Board in this connection and that at all events, in its view, 'any apparent reduction in the degree of prudence in the financial statements should not lead to less prudence in the prudential regulation of relevant entities'.

IAS is reported to have rejected, after all, the proposals submitted to it on amending IAS 39. What action does the Commission intend to take to avoid what are ever more worrying risks?

¹ OJ C