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Committee on Economic and Monetary Affairs

2012/0364(COD)

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AMENDMENTS

13 - 78

Draft report
Theodor Dumitru Stolojan
(PE508.016v01-00)

Union programme to support specific activities in the field of financial reporting and auditing for the period of 2014-2020

Proposal for a regulation
(COM(2012)0782 – C7-0417/2012 – 2012/0364(COD))

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Amendment 13
Sharon Bowles

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) The crisis in the financial markets which has unfolded since 2008 has put the issue of financial reporting and auditing at the centre of the Union's political agenda. A well-functioning common financial reporting framework is essential for the internal market, for the effective functioning of the capital markets and for the realization of the integrated market for financial services in the EU.

Amendment

(2) The crisis in the financial markets which has unfolded since 2008 has put the issue of financial reporting and auditing at the centre of the Union's political agenda. A well-functioning common financial reporting framework is essential for the internal market, for the effective functioning of the capital markets and for the realization of the integrated market for financial services in the EU. ***In light of the preliminary findings from the UK Competition Commission of the Statutory Audit market for FTSE 350 companies on 22 February 2013, auditors, in particular, must ensure they are strictly independent from issuers in order to facilitate the effective functioning of EU capital markets and work on behalf of the shareholder, not issuer management.***

Or. en

Amendment 14
Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan

Proposal for a regulation
Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) As well as playing a central role in ensuring investors are equipped with important information relating to the balance sheet, profit and loss statement and cash flows, accounts represent a major element of the corporate

governance framework, as laid out in Article 15 of the Second Council Directive 77/91/EEC of 13 December 1976, which requires that directors can only make distributions out of unqualified accounts for which the paramount requirement is that they give a true and fair view, or where the accounts are qualified they give a true and fair view subject to matters not material to the lawfulness of a distribution. Directors and auditors can only sign off accounts which give a true and fair view of a company's finances, which is an objectively measurable standard.

Or. en

Amendment 15
Syed Kamall, Theodor Dumitru Stolojan, Wolf Klinz

Proposal for a regulation
Recital 2 b (new)

Text proposed by the Commission

Amendment

(2b) It is important to recognise the fundamental differences between the US and EU accounting traditions. The former rules-based system, introduced in 1933, is based on the narrower view that accounts are only about providing timely and reliable information about a company's finances to the capital markets. The latter principles-based system not only has this requirement but also plays a much more central role in ensuring directors do not sign off accounts illegally. It should be noted that there has never been a requirement for accounts to be true and fair in US GAAP and such a requirement is nowhere present in the IASB's Conceptual Framework, despite this being the overriding principle of European accounting law. Although it is clear that attempts have been made by the IASB to

introduce a principles-based system, there is some disagreement as to whether convergence with a legally different system is possible or desired.

Or. en

Amendment 16
Syed Kamall, Theodor Dumitru Stolojan

Proposal for a regulation
Recital 2 c (new)

Text proposed by the Commission

Amendment

(2c) As well as accounts playing vital roles in protecting shareholder and creditor interests, they form the bedrock of prudential regulation in the sense that all major financial services initiatives rely on companies' accounts, including CRD IV, EMIR and many others. Regulators rely on accounting terminology to understand what risks a company is taking and therefore what is required of that company.

Or. en

Amendment 17
Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz

Proposal for a regulation
Recital 3

Text proposed by the Commission

Amendment

(3) In a global economy, there is a need for a global accounting language. International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB) are adopted and used in many jurisdictions around the world. Such international accounting

(3) In a global economy, there is a need for a global accounting language, ***while taking into account the many different accounting traditions and languages already used.*** International Financial Reporting Standards (IFRS) developed by the International Accounting Standards

standards need to be developed under a transparent and democratically accountable process. To ensure that the interests of the Union are respected and that global standards are of high quality and compatible with Union law, it is *essential* that the *interests of the Union are adequately taken into account in that international standard-setting process.*

Board (IASB) are adopted and used in many jurisdictions around the world, *although it must be noted that there are no processes currently in place to ensure that IFRS have been fully implemented in those jurisdictions.* Such international accounting standards need to be developed under a transparent and democratically accountable process. To ensure that the interests of the Union are respected and that global standards are of high quality and compatible with Union law, it is *vital* that the *IASB accepts the central idea at the heart of European accounting, which is the requirement for accounts to be prepared on a prudent basis and to be true and fair for all the functions required of accounts by Union law.*

Or. en

Amendment 18
Sharon Bowles

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) In a global economy, there is a need for a global accounting language. International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB) are adopted and used in many jurisdictions around the world. Such international accounting standards need to be developed under a transparent and democratically accountable process. To ensure that the interests of the Union are respected and that global standards are of high quality and compatible with Union law, it is essential that the interests of the Union are adequately taken into account in that international standard-setting process.

Amendment

(3) In a global economy, there is a need for a global accounting language. International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB) are adopted and used in many jurisdictions around the world. Such international accounting standards need to be developed under a transparent and democratically accountable process. To ensure that the interests of the Union are respected and that global standards are of high quality and compatible with Union law, it is essential that the interests of the Union are adequately taken into account in that international standard-setting process. *These interests include the maintenance*

of the 'true and fair view' principle, working towards a standardised definition, and usage, of the 'going concern' of a company for both preparers of accounts and auditors and, in light of the European Council conclusions on 22 May 2013, country-by-country reporting for all large companies.

Or. en

Amendment 19
Pervenche Berès, Saïd El Khadraoui

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) In a global economy, ***there is a need for*** a global accounting language. International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB) are adopted and used in ***many*** jurisdictions around the world. ***Such*** international accounting standards need to be developed under a transparent and democratically accountable process. To ensure that the interests of the Union are respected and that global standards are of high quality and compatible with Union law, it is essential that the interests of the Union are adequately taken into account in that international standard-setting process.

Amendment

(3) In a global economy, a global accounting language ***is a legitimate aim. The G20 has repeatedly called for global accounting standards and convergence.*** International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB) are adopted and used in ***a number of*** jurisdictions around the world, ***often with qualifications or limitations, but are not used by the United States or Japan. In any event, such*** international accounting standards need to be developed under a transparent and democratically accountable process. To ensure that the interests of the Union are respected and that global standards are of high quality and compatible with Union law, it is essential that the interests of the Union are adequately taken into account in that international standard-setting process.

Or. fr

Amendment 20
Ildikó Gáll-Pelcz

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) In a global economy, there is a need for a global accounting language. International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB) are adopted and used in many jurisdictions around the world. Such international accounting standards need to be developed under a transparent and democratically accountable process. To ensure that the interests of the Union are respected and that global standards are of high quality and compatible with Union law, it is essential that the interests of the Union are adequately taken into account in that international standard-setting process.

Amendment

(3) In a global economy, there is a need for a global accounting language. International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB) are adopted and used in many jurisdictions around the world. Such international accounting standards need to be developed under a transparent and democratically accountable process. To ensure that the interests of the Union are respected and that global standards are of high quality and compatible with Union law, it is essential that the interests of the Union are adequately taken into account in that international standard-setting process, ***which will lead to the application of common and harmonised standards across the European Union in the long run as well.***

Or. en

Amendment 21
Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz, Sharon Bowles

Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) According to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, IFRS should be incorporated into Union law to be applied by companies with securities listed on a regulated market

Amendment

(4) According to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, IFRS should ***only*** be incorporated into Union law to be applied by companies with securities listed on a

in the Union, provided that the IFRS meet the criteria set out in that regulation. IFRS therefore play a major role in the functioning of the internal market and thus the Union has a direct interest in ensuring that the process through which IFRS are developed and approved delivers standards that are consistent with the requirements of the legal framework of the internal market.

regulated market in the Union, provided that the IFRS meet the criteria set out in that regulation ***and the requirements of the fourth Council Directive 78/660/EEC of 25 July 1978 and the seventh Council Directive 83-3497EEC of 13 June 1983.*** IFRS therefore play a major role in the functioning of the internal market and thus the Union has a direct interest in ensuring that the process through which IFRS are developed and approved delivers standards that are consistent with the requirements of the legal framework of the internal market. ***It should be noted that the IAS Regulation 2002 uses the conceptual framework from 2001 which has now been changed in several significant manners, particularly around the word 'prudence', which includes not booking unrealised profits, and stewardship, which includes the capital maintenance function of accounts.***

Or. en

Amendment 22

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) IFRS are issued by the IASB and related interpretations are issued by the IFRS Interpretations Committee, two bodies within the International Financial Reporting Standards Foundation. It is therefore important to establish appropriate funding arrangements for the IFRS Foundation.

Amendment

(5) IFRS are issued by the IASB and related interpretations are issued by the IFRS Interpretations Committee, two bodies within the International Financial Reporting Standards Foundation. It is therefore important to establish appropriate funding arrangements for the IFRS Foundation. ***These funding arrangements will be reliant on the IASB achieving certain milestones in terms of updating its own governance and specific standards and also overhauling its Conceptual Framework to ensure it properly reflects***

Amendment 23

Syed Kamall, Sven Giegold, Wolf Klinz, Theodor Dumitru Stolojan

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The European Financial Reporting Advisory Group (EFRAG) was founded in 2001 by European organisations representing issuers, *investors* and the accountancy profession involved in the financial reporting process. In accordance with Regulation (EC) No 1606/2002, EFRAG provides the Commission with opinions on whether an accounting standard issued by the IASB or an interpretation issued by the IFRS Interpretations Committee, which is to be endorsed, complies with the endorsement criteria set out in that Regulation. ***EFRAG is also taking up the role of the ‘single European accounting voice’ in the global arena. In that capacity, EFRAG provides input to the IASB’s standard-setting process.***

Amendment

(6) The European Financial Reporting Advisory Group (EFRAG) was founded in 2001 by European organisations representing issuers and the accountancy profession involved in the financial reporting process. In accordance with Regulation (EC) No 1606/2002, EFRAG provides the Commission with opinions on whether an accounting standard issued by the IASB or an interpretation issued by the IFRS Interpretations Committee, which is to be endorsed, complies with the endorsement criteria set out in that Regulation.

Justification

Such a role is not part of the IAS regulation or its original mandate. For this reason, there should be a full consultation with relevant stakeholders as to whether this is desired or necessary. There are also concerns that investors are not represented fully.

Amendment 24

Saïd El Khadraoui

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The European Financial Reporting Advisory Group (EFRAG) was founded in 2001 by European organisations representing issuers, investors and the accountancy profession involved in the financial reporting process. In accordance with Regulation (EC) No 1606/2002, EFRAG provides the Commission with opinions on whether an accounting standard issued by the IASB or an interpretation issued by the IFRS Interpretations Committee, which is to be endorsed, complies with the endorsement criteria set out in that Regulation. ***EFrag is also taking up the role of the 'single European accounting voice' in the global arena. In that capacity, EFRAG provides input to the IASB's standard-setting process.***

Amendment

(6) The European Financial Reporting Advisory Group (EFRAG) was founded in 2001 by European organisations representing issuers, investors and the accountancy profession involved in the financial reporting process. In accordance with Regulation (EC) No 1606/2002, EFRAG provides the Commission with opinions on whether an accounting standard issued by the IASB or an interpretation issued by the IFRS Interpretations Committee, which is to be endorsed, complies with the endorsement criteria set out in that Regulation.

Or. en

Amendment 25

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz

Proposal for a regulation

Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) There are also calls for EFRAG to take up the role of the 'single European accounting voice'. It must be clearly understood whether there is appetite for such a role from national standard-setters and regulators, given the significant differences of opinion that already exist between Member States. If this role is given to EFRAG, all interactions with the IASB must be made fully transparent and any decisions taken by EFRAG should be

made in full consultation with national standard-setters.

Or. en

Amendment 26
Saïd El Khadraoui

Proposal for a regulation
Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) The role of single European accounting voice can only be given to EFRAG, provided all interactions with the IASB are made fully transparent and any decisions taken by EFRAG should be made in full consultation with national standard-setters.

Or. en

Amendment 27
Saïd El Khadraoui

Proposal for a regulation
Recital 7

Text proposed by the Commission

Amendment

(7) Taking into account EFRAG's **key** role in **supporting internal market law and policy and in representing European interests in the standard-setting process at international level**, it is necessary for the Union to ensure EFRAG's stable financing and thus contribute to its funding.

(7) Taking into account EFRAG's **single** role in **ensuring that IFRS are compliant with the requirements of Union company law and policy, as laid out in the IAS Regulation 2002**, it is necessary for the Union to ensure EFRAG's stable financing and thus contribute to its funding **provided its board structure and working rules are reformed and its mission is clarified. Such financing arrangements should be further reassessed in the light of any decision taken to give EFRAG more responsibilities in terms of influencing the**

IASB in addition to fulfilling the basic task required by the IAS Regulation 2002. The European Commission is invited to come forward at the latest by beginning 2014 with a legislative proposal taking into account the conclusions of Philippe Maystadt, whose mission will focus on a review of the governance of EU bodies in the field of financial reporting and accounting (the European Financial Reporting Advisory Group (EFRAG) and the Accounting Regulatory Committee).

Or. en

Amendment 28

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) Taking into account EFRAG's **key** role in **supporting internal market law and policy and in representing European interests in the standard-setting process at international level**, it is necessary for the Union to ensure EFRAG's stable financing and thus contribute to its funding.

Amendment

(7) Taking into account EFRAG's **single** role in **ensuring that IFRS are compliant with the requirements of Union company law and policy, as laid out in the IAS Regulation 2002**, it is necessary for the Union to ensure EFRAG's stable financing and thus contribute to its funding. **Such financing arrangements should be reassessed in the light of any decision taken to give EFRAG more responsibilities in terms of influencing the IASB in addition to fulfilling the basic task required by the IAS Regulation 2002.**

Or. en

Justification

EFRAG's legal mandate is to decide whether or not a standard is compliant or non-compliant with the requirements of EU company law. Any additional roles must be subject to full consultation with interested stakeholders.

Amendment 29

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) Bodies working in the field of accounting and auditing are highly dependent on funding and play major roles in the Union which are decisive for the functioning of the internal market. The proposed beneficiaries of the Programme established by Decision No 716/2009/EC have been co-financed by operating grants from the Union budget, which has allowed them to increase their independence from private-sector and ad-hoc **funding**, thereby raising their capacity and credibility.

Amendment

(10) Bodies working in the field of accounting and auditing are highly dependent on funding and play major roles in the Union which are decisive for the functioning of the internal market. The proposed beneficiaries of the Programme established by Decision No 716/2009/EC have been co-financed by operating grants from the Union budget, which has allowed them to increase their **financial** independence from private-sector and ad-hoc **sources**, thereby raising their capacity and credibility. **Public funding in itself however should not be seen as having confirmed this independence from the private sector. In particular, greater transparency around membership of the IASB's and EFRAG's board and other committees should be required to ensure all stakeholders are represented in the endorsement process. All employees of EFRAG and IASB should be required to declare other relevant financial or job interests or commitments.**

Or. en

Justification

It is important to emphasise that public funding does not necessarily mean that the beneficiaries are no longer 'captured' by private sector interests.

Amendment 30

Sven Giegold

on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) Bodies working in the field of accounting and auditing are highly dependent on funding and play major roles in the Union which are decisive for the functioning of the internal market. The proposed beneficiaries of the Programme established by Decision No 716/2009/EC have been co-financed by operating grants from the Union budget, ***which has allowed them to increase their independence from private-sector and ad-hoc funding, thereby raising their capacity and credibility.***

Amendment

(10) Bodies working in the field of accounting and auditing are highly dependent on funding and play major roles in the Union which are decisive for the functioning of the internal market. The proposed beneficiaries of the Programme established by Decision No 716/2009/EC have been co-financed by operating grants from the Union budget.

Or. en

Amendment 31
Sven Giegold

on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) Experience has shown that Union co-financing ***ensures that*** beneficiaries ***benefit from clear, stable, diversified, sound and adequate funding and it contributes to enabling the beneficiaries to accomplish their public interest mission in an independent and efficient manner.*** Therefore, ***sufficient*** funding should continue to be provided by means of a Union contribution towards the functioning of international accounting and auditing standard-setting, ***and in particular to the IFRS Foundation, EFRAG and the PIOB.***

Amendment

(11) Experience has shown that Union co-financing ***has not prevented*** beneficiaries from ***accomplishing their largely private*** interest mission. Therefore, funding should ***only continue*** to be provided by means of a Union contribution towards the functioning of international accounting and auditing standard-setting ***if appropriate beneficiaries apart from PIOB have been identified.***

Amendment 32**Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz****Proposal for a regulation****Recital 11***Text proposed by the Commission*

(11) Experience has shown that Union co-financing ensures that beneficiaries benefit from clear, stable, diversified, sound and adequate funding and it contributes to enabling the beneficiaries to accomplish their public interest mission in an independent and efficient manner. Therefore, sufficient funding should continue to be provided by means of a Union contribution towards the functioning of international accounting and auditing standard-setting, and in particular to the IFRS Foundation, EFRAG and the IOB.

Amendment

(11) Experience has shown that Union co-financing ensures that beneficiaries benefit from clear, stable, diversified, sound and adequate funding and it contributes to enabling the beneficiaries to accomplish their public interest mission in an independent and efficient manner. Therefore, sufficient funding should continue to be provided by means of a Union contribution towards the functioning of international accounting and auditing standard-setting, and in particular to the IFRS Foundation, EFRAG and the IOB, ***subject to certain milestones being achieved in terms of updating the conceptual framework of the IFRS Foundation and clarifying what roles EFRAG and IOB play.***

Amendment 33**Sharon Bowles****Proposal for a regulation****Recital 11***Text proposed by the Commission*

(11) Experience has shown that Union co-financing ensures that beneficiaries benefit from clear, stable, diversified, sound and adequate funding and it contributes to enabling the beneficiaries to accomplish

Amendment

(11) Experience has shown that Union co-financing ensures that beneficiaries benefit from clear, stable, diversified, sound and adequate funding and it contributes to enabling the beneficiaries to accomplish

their public interest mission in an independent and efficient manner. Therefore, sufficient funding should continue to be provided by means of a Union contribution towards the functioning of international accounting and auditing standard-setting, and in particular to the IFRS Foundation, EFRAG and the PIOB.

their public interest mission in an independent and efficient manner. Therefore, sufficient funding should continue to be provided by means of a Union contribution towards the functioning of international accounting and auditing standard-setting, and in particular to the IFRS Foundation, EFRAG and the PIOB. ***Any body receiving Union funds should ensure the economical use of public money at all times.***

Or. en

Amendment 34
Saïd El Khadraoui

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) Experience has shown that Union co-financing ensures that beneficiaries benefit from clear, stable, diversified, sound and adequate funding and it contributes to enabling the beneficiaries to accomplish their public interest mission in an independent and efficient manner. Therefore, sufficient funding should continue to be provided by means of a Union contribution towards the functioning of international accounting and auditing standard-setting, and in particular to the IFRS Foundation, EFRAG and the PIOB.

Amendment

(11) Experience has shown that Union co-financing ensures that beneficiaries benefit from clear, stable, diversified, sound and adequate funding and it contributes to enabling the beneficiaries to accomplish their public interest mission in an independent and efficient manner. Therefore, sufficient funding should continue to be provided by means of a Union contribution towards the functioning of international accounting and auditing standard-setting, and in particular to the IFRS Foundation, EFRAG and the PIOB ***provided the necessary structural reforms are undertaken.***

Or. en

Amendment 35
Pervenche Berès

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) In addition to changing their funding patterns, the IFRS Foundation and EFRAG have undergone governance reforms to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. ***In relation to the IFRS Foundation, the Monitoring Board was created in 2009 to ensure public accountability and oversight, the effectiveness of the Standards Advisory Council has been enhanced, transparency has been improved and the role of impact assessments has been formalised as part of the due process of the IASB.***

Amendment

(12) In addition to changing their funding patterns, the IFRS Foundation and EFRAG have undergone governance reforms to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. ***Efforts to improve the way in which these bodies are governed will continue on the basis of the conclusions of the special adviser to the Internal Market Commissioner. Experience shows that it is as vital as ever to bring about a change in these bodies' governance arrangements. Their funding, and the annual renewal thereof, should therefore be conditional on them meeting a number of criteria relating to the principles which govern the substance of the standards, and to the governance of these bodies.***

Or. fr

Amendment 36
Sven Giegold
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) In addition to changing their funding patterns, the IFRS Foundation and EFRAG have ***undergone*** governance reforms to ensure that through their structure and processes they accomplish ***their*** public interest mission in an independent, efficient, transparent and democratically accountable manner. In relation to the

Amendment

(12) In addition to changing their funding patterns, the IFRS Foundation and EFRAG have ***failed to undergo meaningful*** governance reforms to ensure that through their structure and processes they ***would*** accomplish ***a*** public interest mission in an independent, efficient, transparent and democratically accountable manner. In

IFRS Foundation, *the Monitoring Board was created in 2009 to ensure public accountability and oversight, the effectiveness of the Standards Advisory Council has been enhanced, transparency has been improved and the role of impact assessments has been formalised as part of the due process of the IASB.*

relation to the IFRS Foundation, *the Commission has started to recognise the serious shortcomings and conferred a special mission to Philippe Maystadt.*

Or. en

Amendment 37
Ildikó Gáll-Pelcz

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) In addition to changing their funding patterns, the IFRS Foundation and EFRAG have undergone governance reforms to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. In relation to the IFRS Foundation, the Monitoring Board was created in 2009 to ensure public accountability and oversight, the effectiveness of the Standards Advisory Council has been enhanced, transparency has been improved and the role of impact assessments has been formalised as part of the due process of the IASB.

Amendment

(12) In addition to changing their funding patterns, the IFRS Foundation and EFRAG have undergone governance reforms to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. In relation to the IFRS Foundation, the Monitoring Board was created in 2009 to ensure public accountability and oversight, the effectiveness of the Standards Advisory Council has been enhanced, transparency has been improved and the role of impact assessments has been formalised as part of the due process of the IASB. ***The effort to improve the governance of those bodies will continue on the basis of the conclusions of the Financial Services Commissioner.***

Or. hu

Amendment 38
Syed Kamall, Sven Giegold, Wolf Klinz, Sharon Bowles

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) In addition to changing their funding patterns, the IFRS Foundation and EFRAG have undergone governance reforms to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. In relation to the IFRS Foundation, the Monitoring Board was created in 2009 to ensure public accountability and oversight, the effectiveness of the Standards Advisory Council has been enhanced, transparency has been improved and the role of impact assessments has been formalised as part of the due process of the IASB.

Amendment

(12) In addition to changing their funding patterns, the IFRS Foundation and EFRAG have undergone governance reforms to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. In relation to the IFRS Foundation, the Monitoring Board was created in 2009 to ensure public accountability and oversight, the effectiveness of the Standards Advisory Council has been enhanced, transparency has been improved and the role of impact assessments has been formalised as part of the due process of the IASB. ***Given that the convergence project with the US has stalled, it would be appropriate for the IASB to reassess the role and presence of representatives of the Financial Accounting Standards Board (FASB) on the IASB.***

Or. en

Justification

American standard-setters should not write standards adopted in the EU if they have no intention of endorsing them for use in the US.

Amendment 39
Saïd El Khadraoui

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) In addition to changing their funding

Amendment

(12) In addition to changing their funding

patterns, the IFRS Foundation and EFRAG have undergone governance reforms to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. In relation to the IFRS Foundation, the Monitoring Board was created in 2009 to ensure public accountability and oversight, the effectiveness of the Standards Advisory Council has been enhanced, transparency has been improved and the role of impact assessments has been formalised as part of the due process of the IASB.

patterns, the IFRS Foundation and EFRAG have undergone governance reforms to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. In relation to the IFRS Foundation, the Monitoring Board was created in 2009 to ensure public accountability and oversight, the effectiveness of the Standards Advisory Council has been enhanced, transparency has been improved and the role of impact assessments has been formalised as part of the due process of the IASB. ***The same kind of structural governance reforms have to be undertaken on the EFRAG level.***

Or. en

Amendment 40

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) The co-financing programme to be established by this Regulation is expected to contribute to the objectives of ensuring comparability and transparency of company accounts throughout the EU, ***to the global harmonization of financial reporting standards by promoting the international acceptance of IFRS*** and to promoting convergence and high quality international standards for auditing in all Member States. This programme also contributes to the Europe 2020 strategy by reinforcing the single market of financial services and capital, ***and contributes to the strategy's external dimension as well.***

Amendment

(15) The co-financing programme to be established by this Regulation is expected to contribute to the objectives of ensuring comparability and transparency of company accounts throughout the EU and to promoting convergence and high quality international standards for auditing in all Member States. This programme also contributes to the Europe 2020 strategy by reinforcing the single market of financial services and capital. ***The co-financing programme should not be used to encourage the adoption of or market IFRS in third countries.***

Or. en

Justification

This is not an appropriate use of Union funds.

Amendment 41

Pervenche Berès, Saïd El Khadraoui

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) The co-financing programme to be established by this Regulation is expected to contribute to the objectives of ensuring comparability and transparency of company accounts throughout the EU, to the global harmonization of financial reporting standards **by promoting** the international acceptance of IFRS and to promoting convergence and high quality international standards for auditing in all Member States. This programme also contributes to the Europe 2020 strategy by reinforcing the single market of financial services and capital, and contributes to the strategy's external dimension as well.

Amendment

(15) The co-financing programme to be established by this Regulation is expected to contribute to the objectives of ensuring comparability and transparency of company accounts throughout the EU, to **making the needs of Europe heard in** the global harmonization of financial reporting standards. **Speaking with one European voice would help promote** the international acceptance of IFRS and to promoting convergence and high quality international standards for auditing in all Member States. This programme also contributes to the Europe 2020 strategy by reinforcing the single market of financial services and capital, and contributes to the strategy's external dimension as well.

Or. fr

Amendment 42

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz, Sharon Bowles

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) This Regulation should provide for the possibility of co-financing activities of certain bodies pursuing an objective forming part of and supporting the Union

Amendment

(16) This Regulation should provide for the possibility of co-financing activities of certain bodies pursuing an objective forming part of and supporting the Union

policy in the field of designing standards, endorsing standards or supervising standard-setting processes related to financial reporting and auditing.

policy in the field of designing standards, endorsing standards or supervising standard-setting processes related to financial reporting and auditing. ***This financing should only be given to the bodies in question if it is clear that European accounting concepts, in particular around prudence and the requirement for a true and fair view, are embedded at the core of their conceptual frameworks or structures.***

Or. en

Amendment 43
Saïd El Khadraoui

Proposal for a regulation
Recital 17

Text proposed by the Commission

(17) Union funding is proposed for a well-defined and limited number of the most important bodies in the field of financial reporting and auditing. Within the current institutional framework, the funding arrangements should ensure stable, diversified, sound and adequate funding to enable the relevant bodies to carry out their Union-related or public interest mission in an independent and efficient manner.

Amendment

(17) Union funding is proposed for a well-defined and limited number of the most important bodies in the field of financial reporting and auditing. Within the current institutional framework, the funding arrangements should ensure stable, diversified, sound and adequate funding to enable the relevant bodies to carry out their Union-related or public interest mission in an independent and efficient manner. ***The bodies can only benefit from European funding provided they report annually to the European Commission and the European Parliament in a fully transparent way about other funding sources.***

Or. en

Amendment 44
Saïd El Khadraoui

Proposal for a regulation
Recital 19

Text proposed by the Commission

Amendment

(19) In order to promote the Union's interests in the fields of financial reporting and auditing and flexibly adapt to eventual governance and institutional changes in those fields, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of selecting new beneficiaries for the Programme. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

deleted

Or. en

Amendment 45

Syed Kamall, Theodor Dumitru Stolojan, Sven Giegold, Wolf Klinz

Proposal for a regulation
Recital 19

Text proposed by the Commission

Amendment

(19) In order to promote the Union's interests in the fields of financial reporting and auditing and flexibly adapt to eventual governance and institutional changes in those fields, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of selecting new beneficiaries for the Programme. It is of particular importance that the Commission carry out

(19) In order to promote the Union's interests in the fields of financial reporting and auditing and flexibly adapt to eventual governance and institutional changes in those fields, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of selecting new beneficiaries for the Programme. It is of particular importance that the Commission carry out

appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

appropriate consultations during its preparatory work, including at expert level, ***national standard-setters and the European Parliament***. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

Or. en

Amendment 46

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz, Sharon Bowles

Proposal for a regulation Recital 20 a (new)

Text proposed by the Commission

Amendment

(20a) A review must be carried out within six months of the adoption of this Regulation to identify whether or not existing IFRSs and in particular the IASB's conceptual framework fulfil the requirements of Union company law. In this review, the Commission should explore the possibility of introducing tougher liability standards for directors and auditors and also to introduce a legally binding true and fair override, that if the accounts prepared in accordance with IFRS do not give a true and fair view, the accounts cannot be signed off. The review must also ensure existing governance arrangements in EFRAG and IASB are overhauled to ensure all private sector interests and commitments are made fully public.

Or. en

Amendment 47

Daniël van der Stoep

Draft legislative resolution
Paragraph 1

Draft legislative resolution

1. **Adopts** its position at first reading hereinafter set out;

Amendment

1. **Rejects** its position at first reading hereinafter set out;

Or. en

Amendment 48
Pervenche Berès, Saïd El Khadraoui

Draft legislative resolution
Paragraph 1 a (new)

Draft legislative resolution

Amendment

1a. Points out that the financial envelope specified in the legislative proposal constitutes only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020; stresses the need, therefore, to create close linkage between the financing programme and the objectives of the reform of the recipient bodies, in the interests of the Union;

Or. fr

Amendment 49
Saïd El Khadraoui

Proposal for a regulation
Article 1 – paragraph 2

Text proposed by the Commission

2. The Programme covers the activities of ***developing or providing input to the***

Amendment

2. The ***actual*** Programme covers the activities of ***the following organizations:***

development of standards, applying, assessing or monitoring standards or overseeing standard-setting processes in support of the implementation of Union policies in the field of financial reporting and auditing.

- IASCF, which develops high quality accounting standards,

- EFRAG, which assesses whether or not an IFRS is compliant with EU accounting directives as part of the implementation of Union policies in the field of financial reporting and auditing, and

- PIOB, which assesses whether or not an ISA and ethical standards for auditors are compliant with the public interest of the implementation of Union policies in the field of financial reporting and auditing.

Or. en

Amendment 50

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz

Proposal for a regulation

Article 1 – paragraph 2

Text proposed by the Commission

2. The Programme covers the activities of *developing or providing input to the development of standards, applying, assessing or monitoring standards or overseeing standard-setting processes in support* of the implementation of Union policies in the field of financial reporting and auditing.

Amendment

2. The Programme covers the activities of *the IASB, which develops IFRS, EFRAG, which assesses whether or not an IFRS is compliant with Union company law as part of the implementation of Union policies in the field of financial reporting and auditing and PIOB, which assesses whether or not an ISA is compliant with Union company law as part* of the implementation of Union policies in the field of financial reporting and auditing.

Or. en

Justification

It is important to clarify the responsibilities of each body which is to receive Union financing.

Amendment 51
Sharon Bowles

Proposal for a regulation
Article 1 – paragraph 2

Text proposed by the Commission

2. The Programme covers the activities of developing or providing input to the development of standards, applying, assessing or monitoring standards or overseeing standard-setting processes in support of the implementation of Union policies in the field of financial reporting and auditing.

Amendment

2. The Programme covers the activities of developing or providing input to the development of standards, applying, assessing or monitoring standards or overseeing standard-setting processes in support of the implementation of Union policies in the field of financial reporting and auditing. ***Priority shall be given to 'true and fair view', to country-by-country reporting and a standardised definition, and usage, of 'going concern'.***

Or. en

Amendment 52
Sharon Bowles

Proposal for a regulation
Article 1 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Bodies working in the field of accounting and auditing which receive Union funding through this Programme shall have a duty of care in ensuring their independence and the economical use of public money, irrespective of the diverse funding streams they may receive.

Or. en

Amendment 53

Sven Giegold

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 2 – paragraph 1

Text proposed by the Commission

1. The objective of the Programme is to improve the conditions for the functioning of the internal market by supporting transparent and independent development of international financial reporting and auditing standards.

Amendment

1. The objective of the Programme is to improve the conditions for the functioning of the internal market by supporting transparent and independent development of international financial reporting and auditing standards. ***As long as there is no potential beneficiary representing the European interest in international financial reporting, both in terms of its governance structure and the advice provided, the Programme remains limited to auditing standards.***

Or. en

Amendment 54

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz, Sharon Bowles

Proposal for a regulation

Article 2 – paragraph 1

Text proposed by the Commission

1. The objective of the Programme is to improve the conditions for the functioning of the internal market by supporting transparent and independent development of international financial reporting and auditing standards.

Amendment

1. The objective of the Programme is to improve the conditions for the functioning of the internal market, ***the ability for regulators to enforce prudential regulation and to strengthen corporate governance*** by supporting transparent and independent development of international financial reporting and auditing standards.

Or. en

Justification

Accounts play a role in driving better management as well as providing information to investors for the purpose of trading shares.

Amendment 55
Saïd El Khadraoui

Proposal for a regulation
Article 2 – paragraph 1

Text proposed by the Commission

1. The objective of the Programme is to improve the conditions for the functioning of the internal market by supporting transparent and independent development of international financial reporting and auditing standards.

Amendment

1. The objective of the Programme is to improve the conditions for the functioning of the internal market **and to strengthen corporate governance** by supporting transparent and independent development of international financial reporting and auditing standards.

Or. en

Amendment 56
Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan

Proposal for a regulation
Article 2 – paragraph 2

Text proposed by the Commission

2. This objective will be measured in particular through the number of countries using International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA).

Amendment

deleted

Or. en

Justification

Such a number serves no useful purpose and cannot be regarded as an effective benchmark to illustrate the successes of IFRS or ISAs.

Amendment 57
Sharon Bowles

Proposal for a regulation
Article 2 – paragraph 2

Text proposed by the Commission

2. This objective will be measured in particular through the number of countries using International Financial Reporting Standards (IFRS) **and** International Standards on Auditing (ISA).

Amendment

2. This objective will be measured in particular through the number of countries using International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) **and the level of divergence from Union policy.**

Or. en

Amendment 58
Sharon Bowles

Proposal for a regulation
Article 2 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. EFRAG shall play a primary role as a standard setter for the EU and supplement, modify or replace IFRS standards in line with priority Union policies.

Or. en

Amendment 59
Sven Giegold
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 3 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) beneficiaries in the field of financial reporting: *deleted*

– the European Financial Reporting Advisory Group (EFRAG);

– the International Financial Reporting Standards Foundation (IFRS Foundation);

Or. en

Justification

IFRS foundation and EFRAG have failed to represent the EU public interest in the reform of financial reporting. EFRAG essentially represents BusinessEurope and the European Banking Federation that are in no need of public money to provide industry biased advise to the European Commission.

Amendment 60
Ildikó Gáll-Pelcz

Proposal for a regulation
Article 3 – paragraph 1 – subparagraph 1 (new)

Text proposed by the Commission

Amendment

(c) beneficiary in the field of audit oversight: the European Grouping of Audit Oversight Bodies (EAOB)

Or. en

Justification

Oversight of statutory auditors at EU level in a properly coordinated way is essential in order to maintain confidence in auditing and financial reporting. The existing EAOB should also be a beneficiary under this Regulation in view of its important role.

Amendment 61
Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan

Proposal for a regulation
Article 3 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 9 to select new beneficiaries for the Programme and to amend paragraph 1 accordingly. *deleted*

Or. en

Justification

If a new beneficiary is identified for Union funding, a new regulation must be transmitted to the European Parliament for authorisation.

Amendment 62
Saïd El Khadraoui

Proposal for a regulation
Article 3 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 9 to select new beneficiaries for the Programme and to amend paragraph 1 accordingly. *deleted*

Or. en

Amendment 63
Sven Giegold
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 3 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 9 to select new beneficiaries for the Programme and to amend paragraph 1 accordingly.

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 9 to select new beneficiaries for the Programme and to amend paragraph 1 accordingly. ***The European Parliament may adopt a resolution, proposing potential beneficiaries.***

Or. en

Amendment 64

Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan

Proposal for a regulation

Article 3 – paragraph 3

Text proposed by the Commission

Amendment

3. Any new beneficiary shall be a non-profit making legal person pursuing an objective forming part of and supporting the Union policy in the field of financial reporting and auditing and shall be a direct successor of one of the beneficiaries listed in paragraph 1.

deleted

Or. en

Justification

Such detail is unnecessary if the Commission is required to transmit a draft regulation the European Parliament before funding a new beneficiary.

Amendment 65

Saïd El Khadraoui

Proposal for a regulation

Article 3 – paragraph 3

Text proposed by the Commission

Amendment

3. Any new beneficiary shall be a non-profit making legal person pursuing an objective forming part of and supporting the Union policy in the field of financial reporting and auditing and shall be a direct successor of one of the beneficiaries listed in paragraph 1.

deleted

Or. en

Amendment 66
Saïd El Khadraoui

Proposal for a regulation
Article 3 – paragraph 3

Text proposed by the Commission

Amendment

3. Any new beneficiary shall be a non-profit making legal person pursuing an objective forming part of and supporting the Union policy in the field of financial reporting and auditing and shall be a direct successor of one of the beneficiaries listed in paragraph 1.

3. The Commission shall come forward with a legislative proposal if it wants to select a new beneficiary for the Programme.

Or. en

Amendment 67
Pervenche Berès, Saïd El Khadraoui

Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

Amendment

Financing under the Programme shall be provided in the form of operating grants.

Financing under the Programme shall be provided in the form of operating grants.

Financing shall be awarded on an annual basis, and its renewal shall be conditional on compliance with criteria relating to the

objectives and content of the standards, and with criteria concerning developments in European governance and the IFRS Foundation.

The criteria relating to the objectives and content of the standards shall be based on the following principles:

- the requirement that IFRS standards must take account of European needs;*
- the requirement to comply with the European interest and true and fair view criteria referred to in Regulation (EC) No 1606/2002, and not only to scrutinise the quality of the standards on the basis of the IASB's own criteria;*
- the requirement that IFRS standards must take account of their impact on the economy and financial stability, on the basis of an impact assessment;*
- the requirement that IFRS standards should call into question all bias towards the short term, whether it arises from (a) the emphasis placed on 'fair value', i.e. the market value and its relevance from the viewpoint of an investor; or (b) more generally, the 'balance sheet approach', which gives more weight to accounting for assets and liabilities on the basis of sui generis concepts, which users have identified as sources of complexity;*
- the requirement to reincorporate, without limitations, into the conceptual framework now being amended, the principles of prudence and reliability, combined with changes to the standards to reflect the revisions to the conceptual framework.*

The criteria relating to developments in European governance shall be based on the following principles:

- the requirement to take account, on duly substantiated grounds, of the European interest, on the basis of European needs;*

- the requirement to base new European governance on the expertise and resources of national standard-setting bodies in the accounting sphere;

- the requirement to take account of the diversity of views in Europe, which reflects the diversity of European accounting traditions.

The criteria relating to the IFRS Foundation shall be based on the following principles:

- while exchanges with countries which do not apply the IFRS are clearly useful, their role in the non-advisory bodies of the IASB must be reviewed in the light of the fact that they do not use the standards;

- the granting of funding cannot be enough to compensate for not applying the standards nationally whilst persons from the country in question occupy key positions in the organisation;

- the co-financing programme must highlight spending aimed at encouraging the adoption of and promoting IFRS standards in third countries.

Or. fr

Amendment 68

Syed Kamall, Theodor Dumitru Stolojan, Sven Giegold, Wolf Klinz

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

Financing under the Programme shall be provided in the form of operating grants.

Amendment

Financing under the Programme shall be provided in the form of operating grants, *renewed annually after the Commission has conducted an assessment of whether the beneficiaries have achieved the goals laid out in the Programme and subject to approval from the European Parliament.*

Amendment 69
Saïd El Khadraoui

Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

Financing under the Programme shall be provided in the form of operating grants.

Amendment

Financing under the Programme shall be provided in the form of operating grants, ***renewed annually after the Commission have conducted an assessment approved by the European Parliament whether the beneficiaries have achieved the goals laid out in the Programme.***

Or. en

Amendment 70
Saïd El Khadraoui

Proposal for a regulation
Article 5 – paragraph 1

Text proposed by the Commission

Any beneficiary of funding awarded under the Programme shall indicate in a prominent place, such as a website, a publication or an annual report, that it has received funding from the budget of the European Union.

Amendment

Any beneficiary of funding awarded under the Programme shall indicate in a prominent place, such as a website, a publication or an annual report, that it has received funding from the budget of the European Union ***as well as a detailed overview of the other funding from alternative sources.***

Or. en

Amendment 71
Sharon Bowles

Proposal for a regulation
Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Travel and related expenses shall also be published. Reimbursement using Union funds shall only permit business class air travel for journeys over four hours.

Or. en

Amendment 72
Syed Kamall, Sven Giegold, Theodor Dumitru Stolojan, Wolf Klinz

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

Amendment

The financial envelope for the implementation of this Regulation over the period 2014-2020 shall be EUR 58 010 000 in current prices.

The financial envelope for the implementation of this Regulation over the period 2014-2020 shall be EUR 58 010 000 in current prices, ***although this figure can be reduced or adjusted if it is found that the beneficiaries have not achieved certain milestones.***

Or. en

Amendment 73
Sven Giegold
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

Amendment

The financial envelope for the implementation of this Regulation over the period 2014-2020 shall be EUR ***58 010 000*** in current prices.

The financial envelope for the implementation of this Regulation over the period 2014-2020 shall be EUR ***10 000 000*** in current prices.

Amendment 74
Ildikó Gáll-Pelcz

Proposal for a regulation
Article 7 – paragraph 2

Text proposed by the Commission

(2) In order to implement the programme, the Commission shall adopt annual work programmes. They shall set out the objectives pursued, the expected results, the method of implementation and their total amount. They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

Amendment

(2) In order to implement the programme, the Commission shall adopt annual work programmes. They shall set out the objectives pursued, the expected results, the method of implementation and their total amount. They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing, ***as well as the detailed assessments, justifications and explanations derived from the programmes of work of previous years which serve as a basis for them.***

Or. hu

Amendment 75
Pervenche Berès, Saïd El Khadraoui

Proposal for a regulation
Article 7 – paragraph 2

Text proposed by the Commission

2. In order to implement the programme, the Commission shall adopt annual work programmes. They shall set out the objectives pursued, the expected results, the method of implementation and their total amount. They shall also contain a description of the actions to be financed, an

Amendment

2. In order to implement the programme, the Commission shall adopt annual work programmes, ***to be approved by the European Parliament.*** They shall set out the objectives pursued, the expected results, the method of implementation and their total amount. They shall also contain

indication of the amount allocated to each action and an indicative implementation timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

Or. en

Amendment 76
Ildikó Gáll-Pelcz

Proposal for a regulation
Article 9

Text proposed by the Commission

Amendment

Article 9

deleted

Exercise of the delegation

(1) The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

(2) The power to adopt delegated acts referred to in Article 3(2) shall be conferred on the Commission for a period of 7 years from the date of entry into force of this Regulation.

(3) The delegation of power referred to in Article 3(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

(4) As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European

Parliament and to the Council.

(5) A delegated act adopted pursuant to Article 3(2) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Or. hu

Amendment 77
Wolf Klinz

Proposal for a regulation
Article 10 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. By 30 November 2013, the Commission shall submit a first report on necessary governance reforms in the area of accounting and financial information (EFRAG and ARC) based, inter alia, on the conclusions of the special advisor to the Internal Market Commissioner, expected by the end of October 2013.

Or. en

Amendment 78
Wolf Klinz

Proposal for a regulation
Article 10 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. The Commission shall evaluate and submit, if appropriate, a legislative proposal changing the Regulation (EC) No 1606/2002 by 31 October 2013.

Or. en