ESMA_QA_1869

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27/01/2017

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Additional Information

Level 1 Regulation
Transparency Directive (TD) Directive 2004/109/EC

Level 3 Regulation
Guidelines on Alternative Performance Measures

Topic
Alternative Performance Measures (APM)

Historic Question Reference
[ESMA32-51-370 APM Q3]

Subject Matter
Financial measures calculated using exclusively figures stemming from financial statements; Paragraphs 4, 17 to 19 of the APMs Guidelines.

Question
Do the APMs Guidelines apply to financial measures such as financial ratios calculated using exclusively figures directly stemming from financial statements?

ESMA Answer

27-01-2017

Original language

[ESMA32-51-370 APM Q3]

Yes. The APMs Guidelines apply to financial measures including financial ratios calculated using exclusively figures directly stemming from the financial statements (e.g. IFRS figures) unless:

a) these measures are defined or specified by the applicable financial reporting framework (paragraph 17 of the APMs Guidelines).

b) financial measures fall within the exception provided in paragraph 4 (i.e. they are disclosed in accordance with applicable legislation, other than the applicable financial reporting framework),

Unless the figures included in the financial measures fall within the definition of an APM, the APMs Guidelines apply to the measures (e.g. financial ratio) and not the figures. Otherwise, the APMs Guidelines apply to both.

In case such APMs are presented inside and outside financial statements please refer to question ESMA_QA_1868 (historical question reference: *ESMA32-51-370 APM Q2*).