

**BANCO DE PORTUGAL'S VIEW ON**  
**CERS'S PROPOSED STATEMENT OF PRINCIPLES ON ENFORCEMENT OF ACCOUNTING**  
**STANDARDS IN EUROPE**

1. The Banco de Portugal would like to underline its general reservation to the process followed by CESR, whereby it has apparently taken the initiative to co-ordinate and lead all the tasks linked to the enforcement, within the European Union (EU), of the International Accounting Standards (IAS/IFRS). Actually, in our opinion, that initiative should have been preceded by a discussion ? and agreement ? among representatives of all entities with a special and relevant interest in an adequate implementation of the IFRS (e.g. banking and insurance supervisory authorities; national accounting standard-setters, external auditors).

2. Principle 3 also raises concerns to the Banco de Portugal, when establishing that "irrespective of who carries out enforcement any code of conduct or best practice or procedures established by CESR should be complied with". This Principle, in our view, precludes the possibility of endorsing other codes of conduct (even if they are consistent with the main guidelines of the CERS's Code) better suited to the specificities of certain types of activities/firms (e.g. banks, investment firms).

3. Principle 8 states that "the principles for enforcement (?) should apply to financial information provided by all harmonised documents, including annual and interim financial statements and reports, prepared on an individual and consolidated basis as well as prospectuses and equivalent documents". However, Regulation no. 1606/02 only requires the adoption of IFRS at the level of consolidated financial statements of companies with securities traded in a regulated market?

4. In Principle 9, it is defined that "the purpose of enforcement of financial information is to protect investors and promote market confidence by contributing to the transparency of financial information relevant to the investors' decision making process". In our view, the objectives of enforcement should also address (e.g.) in the case of credit institutions the interest of depositors and of banking supervisory authorities.

5. Lastly, it is proposed, in relation to Principle 20, that "consistent with recital 16 of EU Regulation on IFRSs, CESR will promote coordination in enforcement approaches". Again, owing to the reasons outlined in paragraph 1 of this document, we express a reservation to such proposal which ? besides ? seems to reflect a too broad interpretation of recital 16 of EU Regulation no. 1606/2002.