

Poland
Polish Securities and Exchange Commission

**RESPONSE TO THE CONSULTATION PAPER ON THE
DRAFT STANDARD NO 2 ON FINANCIAL INFORMATION
COORDINATION OF ENFORCEMENT ACTIVITIES
(Ref.: CESR/03-317b)**

A. CONTEXT AND SCOPE OF THE STANDARD

We agree that the mechanism aimed at achieving a high level of coordination and convergence in the enforcement decisions concerning financial information in EU should be created. We also support the idea, that the CESR Standard No 2 should not deal with interpretation and/or application guidance of financial reporting standards. As stated in the CESR Standard No 1, the enforcers have no power to interpret financial standards, because it is an attribute of the relevant bodies such as IFRIC.

However we would like to point out that this principle requires that a proper system of exchanging information between enforcers and the body (bodies) empowered to interpret IFRS/IAS is created. Enforcers should have possibility to submit interpretation problems of issuers, auditors and theirs own. In practice the IFRIC's principle of not answering to individual questions relating to IFRS/IAS could create problems. The timing of presenting interpretations is in our opinion a very important issue. Issuers and auditors expect prompt interpretations of accounting standards from enforcers in order to apply (audit) those standards in financial statements properly. Therefore in our opinion EU members and accessing countries should be informed which EU institution will be interpreting IFRS/IAS in the competent way as questions and doubts arise – without delay.

We are also of the opinion that there is a need to take a stand on whether or not preparing electronic forms consistent with IFRS/IAS is possible – in situation when issuers' financial reports are sent in electronic way, which happens in Poland. As we know some of the countries believe that preparing electronic forms consistent with IFRS/IAS is inappropriate, because it would be an interpretation of IFRS/IAS – and this is prohibited by the CESR Standard No 1.

B. CO-ORDINATION OF ENFORCEMENT ACTIVITIES

We share the opinion that enforcers should try to take their decisions in the most consistent way: similar decisions should be taken where similar circumstances take place in Europe. We agree that the future database of enforcement decisions taken by EU National Enforcers would be a really helpful tool in achieving the necessary coordination and convergence of enforcement activities carried out in EU. Although we feel that also multilateral and/or bilateral consultations and European Enforcers Coordination Sessions would be needed and necessary.