

TERMS OF REFERENCE

IFRS project group

Permanent Group of the Corporate Reporting Standing Committee

Background

1. The ESMA Regulation¹ states that ESMA shall act among others within the scope of Directive 2004/109/EC (the Transparency Directive) and in the field of activities of market participants in relation to issues not directly covered in that Directive including auditing and financial reporting, provided that such actions are necessary to ensure the effective and consistent application. Within ESMA, the Corporate Reporting Standing Committee (CRSC) contributes to ESMA's work on issues related to accounting, audit, periodic reporting and storage of regulated information.
2. International Financial Reporting Standards (IFRSs) and their accompanying Interpretations are developed and issued by the International Accounting Standards Board (IASB). In order to achieve the so called 'single rulebook' ESMA is specifically tasked to contribute to developing high-quality standards, including reporting standards and International Reporting Standards (IFRS). When doing so, ESMA particularly focuses on improving the decision-usefulness and transparency of financial information and the enforceability of IFRS.
3. The terms of reference for the IFRS project group are set out in this document and should be read together with the terms of reference of the CRSC (ESMA/2013/43rev) and the 'Procedures for ESMA groups' (ESMA/2012/236rev2). The IFRS project group is established as a permanent subgroup under the auspices of the CRSC, it is accountable and will report the results of its activities to the CRSC.

Objective and main functions

4. The main objective of the IFRS project group is to assist ESMA in influencing the developments in the area of IFRS and other related financial reporting matters.
5. This happens primarily through the preparation of positions and comment letters responding to pronouncements of the IFRS Foundation, the IASB, the IFRS Interpretations Committee and the

¹ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority) amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC.



European Financial Reporting Advisory Group (EFRAG). The draft letters and other position papers will be presented to the Corporate Reporting Standing Committee for approval.

Working procedures

6. In line with the procedures for ESMA groups, Board Members are entitled to nominate a representative interested in actively participating in the IFRS Project Group.
7. ESMA staff will provide support to the work of the IFRS project group and will facilitate the coordination between the group and other ESMA groups, and in particular the European Enforcers Co-ordination Sessions. The group will also seek active liaison with EFRAG.
8. The IFRS project group is expected to meet 8 times a year but may decide to meet more or less frequently depending on the circumstances.