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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the exercise of the power to adopt delegated acts conferred on the Commission pursuant Directive 2004/109/EC of 15 December 2004

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1. Introduction

Directive 2004/109/EC[1] of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC established requirements in relation to the disclosure of periodic and ongoing information about issuers whose securities are admitted to trading on a regulated market in the EU.

Directive 2010/78/EU of 24 November 2010 amended the Directive 2004/109/EC and conferred powers on the Commission to adopt delegated acts as referred to in Articles 2(3), 5(6), 9(7), 12(8), 13(2), 14(2), 17(4), 18(5), 19(4), 21(4), 23(4), 23(5), 23(7) of Directive 2004/109/EC. These powers have been conferred on the Commission for a period of 4 years from 4 January 2011 until 3 January 2015.

2. Legal Basis

This report is required under Article 27(2a) of Directive 2004/109/EC. Pursuant to this article, the Commission shall draw up a report in respect to the delegation of power in the last six months before the end of the four-year period. This report will cover the period 4 January 2011 to 3 October 2015.

3. Exercise of the delegation

Throughout the reporting period, the Commission exercised only the empowerments under Article 23(4). The following delegated acts have been adopted:

- Commission Delegated Regulation (EU) No 310/2012 of 21 December 2011 amending Regulation (EC) No 1569/2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council[2];

  By this delegated regulation, the Commission updated the conditions, set out in the Regulation (EC) No 1569/2007, for the acceptance of third country accounting standards for a limited period. The delegated regulation also extended the period, for

[1] OJ L 390, 31.12.2004, p. 38
[2] OJ L 103, 13.4.2012, p. 11-12

which a mechanism for the recognition of equivalence of third country's Generally Accepted Accounting Principles (GAAP) for a limited period may be applied, until 31 December 2014.

- Commission Delegated Regulation (EU) 2015/1605 of 12 June 2015 amending Regulation (EC) No 1569/2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council[3].

  By this delegated regulation the Commission extended the period, for which a mechanism for the recognition of equivalence of third country's GAAP for a limited period may be applied, until 31 March 2016.

Based on the mechanism set out in Regulation 1569/2007, the Commission recognised the GAAP of the Republic of India as equivalent to IFRS in the Union for a limited period of time until 31 March 2016.

It must be noted that the Commission adopted most of the implementing provisions to Directive 2004/109/EC by a Commission Directive 2007/14/EC of 8 March 2007[4]. In the reporting period, the Commission did not find it necessary to amend the provisions of Directive 2007/14/EC. Therefore, most of the powers referred to in Article 27(2a) have not been used. However, it is necessary that the Commission retains the current scope of the empowerment to adopt delegated acts in order to improve the functioning of Directive 2004/109/EC if necessary, and to be able to react quickly to potential market developments.

4. Conclusion

The Commission has exercised its delegated powers correctly to ensure that the necessary provisions were in place. The Commission invites the European Parliament and the Council to take note of this report.

[3] OJ L 249, 25.9.2015, p. 3–4

[4] Commission Directive 2007/14/EC of 8 March 2007 laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market; OJ L 69, 9.3.2007, p. 27–36