

PRESS RELEASE 12/02

■ ENFORCEMENT OF THE 2011 FINANCIAL INFORMATION PREPARED BY ISSUERS OF SECURITIES SUBJECT TO THE TRANSPARENCY LAW

By virtue of the law of 11 January 2008 on transparency requirements for issuers of securities (hereafter referred to as the "Transparency Law"), the CSSF ensures that the financial information published by issuers of securities, in particular their consolidated and non-consolidated financial statements, is drawn up in accordance with the relevant accounting standards.

As the issuers are now preparing and finalizing their financial information for the 2011 fiscal year, the CSSF wants to draw the attention of those issuers who prepare their financial statements in accordance with International Financial Reporting Standards (IFRS), to various topics and issues which will be specifically monitored during its 2012 enforcement review campaign.

In a difficult market environment, characterized by strong tensions and a high volatility, the CSSF will be particularly vigilant regarding disclosures about risks that arise from financial instruments as well as concerning issues related to the valuation and potential impairment of assets, mainly of:

- financial instruments, with in-depth monitoring of exposures to sovereign debt (see CSSF Press release 11/44 issued on 29 November 2011);
- non-financial assets, with specific attention given to the accounting for deferred tax assets on losses carried forward and for impairments on tangible and intangible assets, including goodwill.

The reviews will focus as much on the recognition and measurement of these valuations and potential impairments as on the disclosures in the financial statements related to the methods and assumptions used.

Moreover, further to the enforcement reviews done in 2011, the CSSF will continue to monitor the implementation of recently introduced standards, such as IFRS 8 on operating segments and IFRS 3 (revised) on business combinations.

Finally, in a more general way, the management reports prepared by issuers will be subject to particular attention in order to ensure that both their format and their content are in line with the applicable legislation and regulation, in particular with regard to the relevant requirements of the Law of 19 May 2006 on takeover bids for Luxembourg issuers of shares.

Further information relating to the reviews and findings of the CSSF, resulting from its mission under Article 22(2)(h) of the Transparency Law, can be found in its annual reports, which are available on its website under the heading [Publications > annual report](#).

Luxembourg, 6 January 2012

