



Print from the website of the AMF

24 November 2016

The AMF publishes its recommendations for 2016 financial statements

In addition to the priorities announced by the European Securities and Markets Authority (ESMA), the AMF is publishing its recommendations regarding financial statements for 2016 (DOC-2016-09). The themes addressed this year include financial performance measures, the consequences of the UK referendum and new accounting standards. The recommendations also contain information about the AMF's review of financial reporting.

Themes addressed in the AMF's 2016 recommendations

Financial performance

Following the entry into effect on 3 July 2016 of AMF Position DOC-2015-12 on alternative performance measures (APMs) and in view of the ongoing discussions within the International Accounting Standards Board (IASB), the AMF is highlighting:

- the link between reporting indicators and operating segments,
- performance indicators and aggregate measures included in the financial statements and
- aggregate measures used in the financial statements: companies must make sure that operating subtotals contain all items of an operating nature and take care to check

whether an item is unusual and material when classifying it as non-current.

Consequences of the UK referendum on leaving the European Union

The vote by the UK on 23 June 2016 in favour of leaving the European Union has ushered in a period of uncertainty that may generate expectations in terms of financial reporting by affected companies. Accordingly, the AMF encourages companies with significant potential risk exposure to the UK to explain and describe in their financial reporting their exposure, any impacts and how they plan to manage the risks. The AMF also recommends that companies explain and describe the impact of this decision on the assumptions contained in asset and liability measurements and provide details about sensitivity analyses for these measurements.

New standards

The AMF stresses the importance of beginning work on first-time application as soon as possible when new standards are brought in. The AMF also refers to its recommendations on the entry into force of IFRS 15 on revenue recognition (published on 21/07/16) and IFRS 9 on financial instruments (publication forthcoming). The AMF additionally draws attention to the information currently required on leases in preparation of IFRS 16, which comes into effect in 2019 and which will significantly change the accounting treatment of certain leases.

Information on the AMF's review of financial statements

The AMF is publishing quantitative data on its review of financial statements, which it conducted between September 2015 and September 2016. Key figures include the following:

- Ex-post review: the AMF requested no changes to financial statements but sent recommendations for the next set of financial statements to 64% of companies whose financial statements were reviewed, compared with 54% in the previous period.
- The AMF held discussions with eight different companies about accounting analyses made by issuers prior to publishing their financial statements, compared with 11 in the previous period.
- Review of financial statements included in initial public offering (IPO) prospectuses: the AMF reviewed the financial statements of 24 companies in all, 17 of which were prepared under IFRS and seven under French GAAP.


Reminder of the AMF's role

The AMF is not responsible for setting or interpreting international accounting standards. That task is assigned exclusively to the IASB and the IFRS Interpretations Committee. But each year, the AMF, like ESMA and other European regulators, identifies issues that seem particularly important in the current environment, with a view to raising awareness among listed companies and statutory auditors and helping to promote high-quality disclosures. It is essential for users of financial statements to be able to understand the accounting treatments applied and the judgements made by issuers.

Read more

- [Recommendation DOC-2016-09 on 2016 financial statements](#)
- [ESMA news release of 28 October 2016](#)
- [Guide to the relevance, consistency and readability of financial statements](#)
- [Implementation of IFRS 15 – Revenue from Contracts with Customers – and related disclosures](#)

ON THE SAME TOPIC

 [Subscribe to our alerts and RSS feeds](#)



NEWS

SUSTAINABLE FINANCE

10 February 2023

Taxonomy Article 8 reporting: publication of Frequently Asked Questions by the European Commission



NEWS

SUSTAINABLE FINANCE

17 January 2023

Publication of the new directive on corporate sustainability reporting (CSRD)



AMF NEWS RELEASE

SUSTAINABLE FINANCE

09 November 2022

The AMF publishes two analyses of the information provided by listed companies under Taxonomy reporting and concerning the effects of climate risk in financial statements



Legal information:

Head of publications: The Executive Director of AMF Communication Directorate. Contact: Communication Directorate – Autorité des marchés financiers 17 place de la Bourse – 75082 Paris cedex 02