



15 December 2017

The AMF publishes its recommendations for 2017 financial statements

As it does every year, the Autorité des Marchés Financiers (AMF) is publishing its accounting recommendations on the preparation of annual financial statements (DOC-2017-09). These recommendations, which aim to inform and guide companies and their audit committees and statutory auditors, follow and supplement the European Securities and Markets Authority's (ESMA) priorities at European level. They also include information on the AMF's review of companies' annual financial statements.

Themes addressed in the AMF's 2017 recommendations

Importance of relevant, consistent and readable information

Like in previous years, the AMF is keen to ensure high-quality financial reporting, in terms of both content and presentation. This year, the AMF is focusing in particular on two points:

- the notion of materiality, encouraging issuers to assess whether a piece of information is material;
- industrial and commercial companies taking into account the amendment to IAS 7 on the statement of cash flows.

IFRS 15 and IFRS 9: new standards for 1 January 2018

The AMF alerts companies to IFRS 15 - Revenue from Contracts with Customers and IFRS 9 - Financial Instruments, which are coming into force on 1 January 2018. With this in mind, the AMF urges companies to conduct thorough analysis to assess the impact of the new principles introduced by these standards, by highlighting some of their problem areas. In addition, continuing from the recommendations published in 2016 on the forthcoming application of these standards, the AMF advises companies to provide details on the expected impacts and stresses the importance of precise financial reporting on this matter via the notes to the financial statements. Lastly, the AMF reminds companies of a few measures relating to the first interim financial statements published in 2018.

Early application of IFRS 16

IFRS 16 – Leases does not come into effect until 1 January 2019, but it can be applied early. The AMF urges companies to provide, where possible, qualitative and quantitative disclosure on the impact of this new standard, which changes how leases are treated from an accounting perspective.

Information on the AMF's review of corporate reporting

The AMF is publishing quantitative data on its review of listed companies' accounts, which it conducted between October 2016 and September 2017.

- Ex-post review: 87% of the reviews resulted in recommendations, relating primarily to financial instruments and fair value (17%) and the presentation of financial statements (16%).
- The AMF held discussions with five companies about accounting analyses made by issuers prior to publishing their 2016 financial statements, compared with eight in the previous period, and also with five companies ahead of publication of their 2017 half-yearly financial statements.
- Review of financial statements included in initial public offering (IPO) prospectuses: the AMF reviewed the financial statements of 24 companies in all, 18 of which were prepared under IFRS and six 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. This is 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-2017-09: 2017 Financial Statements

ESMA Public Statement – European common enforcement priorities for 2017

✎ financial statements –ESMA32-63-340

✎ Guide to the relevance, consistency and readability of financial statements


Implementation of IFRS 15 – Revenue from Contracts with Customers – and

✎ related disclosures

Implementation and information to be disclosed under IFRS 9 – Financial

✎ instruments

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