

FINANCIAL SUPERVISORY AUTHORITY (ASF)

Instruction No. 2/2014 on the application of International Financial Reporting Standards by the entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Investment and Instruments Sector

In accordance with the provisions of Art .1 Para (2), Art. 2 Para (1) Letters a) and d), Art. 6 Para (2) and Art. 14 of Government Emergency Ordinance No. 93/2012 on the establishment, organisation and operation of the Financial Supervisory Authority (ASF), approved as amended and supplemented by Law No. 113/2013, as subsequently amended and supplemented,

Based on the provisions of Art. 4 Para (3) of Accounting Law No. 82/1991, republished, as subsequently amended and supplemented,

further to the deliberations of the Financial Supervisory Authority's Board of 6 August 2014,

the **Financial Supervisory Authority** hereby issues this instruction:

Art.1 - This instruction lays down the manner of application of the International Financial Reporting Standards by the entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Investment and Instruments Sector (SIIF), hereinafter referred to as ASF - SIIF.

Art.2 - (1) As of 1 January 2015, the entities authorised, regulated and supervised by ASF - SIIF, namely the investment firms, management companies, undertakings for collective investment, central depositories, clearing houses and market/system operators, hereinafter referred to as *entities*, shall keep the accounting records in line with the International Financial Reporting Standards, adopted in accordance with the procedure referred to in Article 6 Paragraph (2) of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, hereinafter referred to as *IFRS*.

(2) The entities referred to in Para (1) shall organise and keep their accounting records as of 1 January 2015 in accordance with the provisions of IFRS, of Accounting Law No. 82/1991, republished, as subsequently amended and supplemented, and with other applicable legal provisions.

Art.3 - (1) As of the 2015 financial year, the entities referred to in Art. 2 Para (1), shall draw up and publish, according to law, separate and consolidated financial statements in line with IFRS, in the domestic currency and in the Romanian language.

(2) The separate annual financial statements for the 2014 financial year shall be drawn up in accordance with the provisions of the CNVM Regulation No. 4/2011 on Accounting Regulations in line with the Fourth Directive of the European Economic Community applicable to the entities authorised, regulated and supervised by the National Securities Commission (CNVM), approved by Order of CNVM's President No. 13/2011.

Art.4 - The separate financial statements in line with IFRS, referred to in Art. 3 Para (1) and the consolidated annual financial statements in line with IFRS shall be the subject of the statutory audit according to law.

Art.5 - (1) The administrators, namely the executive board, economic directors, chief accountants and any other persons having the obligation to manage the entities covered by this instruction shall take the measures necessary for the proper application of its provisions.

(2) The persons referred to in Para (1) shall be responsible, according to their responsibilities and competences assigned within the entity, for transposing the account balances, including the corresponding restatements and reclassifications, as the case may be, from the trial balance as at 31 December 2014, into the opening balances corresponding to the 2015 financial year, included in the chart of accounts provided by the accounting regulations issued by the Financial Supervisory Authority – Financial Investment and Instruments Sector for the application of the provisions hereof. The persons referred to in Para (1) shall be responsible also for ensuring the accuracy and truthfulness of the data processed and entered in the separate annual financial statements.

(3) The entities referred to in Art. 2 Para (1) shall draw up a document to reflect the differences resulting from the values included in the trial balance prepared as at 31 December 2014 and the values included in the opening balances of the accounts as at 1 January 2015, together with the necessary explanations regarding their nature, including the manner of transposing the amounts included in the accounts provided in the regulations referred to in Para (2).

Art.6 - (1) The provisions of Instruction No. 6/2011 on the application of International Financial Reporting Standards by the entities authorised, regulated and supervised by the National Securities Commission (CNVM), approved by Order of CNVM's President No. 116/2011, as subsequently amended, shall also apply to the 2014 financial year.

(2) As of 1 January 2015 the provisions of the regulation referred to in Art. 3 Para (2), of CNVM Regulation No. 3/2011 on Accounting Regulations in line with the Seventh Directive of the European Economic Community applicable to the entities authorised, regulated and supervised by the National Securities Commission, approved by Order of CNVM's President

No. 12/2011, and any other provisions contrary to this instruction shall no longer apply to the entities referred to in Art. 2 Para (1).

Art.7 - This instruction shall be published in the Official Journal of Romania, Part I and in the Bulletin of the Financial Supervisory Authority and also on its website, and shall enter into force following its publication in the Official Journal of Romania, Part I.

President,

Mișu NEGRÎTOIU

Bucharest

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