

# Accounting Requirements for Banks

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# Bank Accounts Directive (86/635/EEC)

- Applying to most credit institutions (e.g. banks) and other financial institutions with a few national exceptions
- Prescribes a standard balance sheet layout eg: assets and liabilities are presented in decreasing order of liquidity
- Prescribes two standard profit-and-loss account layouts: there is a vertical layout and a horizontal layout
- Also lays out valuation rules for certain financial assets

# **Branch Accounts Directive (89/117/EEC)**

Establishes special rules on the disclosure of accounting documents of a branch of a credit or financial institution in a Member State which has its head office outside that state

# **REGULATION (EC) No 1606/2002**

## **concerning the application of international accounting standards**

- From January 1<sup>st</sup> 2005, entities (including banks and investment firms) that are listed on an EU stock exchange must prepare their consolidated accounts in accordance with International Financial Reporting Standards (IFRS)
- Member States may permit or require other entities to prepare their annual or consolidated accounts according to IFRS if they wish

# Accounting Directives

Further information:

[http://europa.eu.int/comm/internal\\_market/accounting/officialdocs\\_en.htm](http://europa.eu.int/comm/internal_market/accounting/officialdocs_en.htm)

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