

RULE NO. 2/ 2018
amending and supplementing the Financial Supervisory Authority's Rule No. 39/2015
approving the Accounting Regulations compliant with International Financial
Reporting Standards, applicable to entities authorized, regulated and supervised by the
Financial Supervisory Authority in the Financial Instruments and Investments Sector

In accordance with Art. 1 par. (2), art. 2 par. (1) letter a) and d), art. 6 par. (2) and art. 14 of Government Emergency Ordinance no. 93/2012 on the establishment, organization and operation of the Financial Supervisory Authority, approved with amendments and completions by Law no. 113/2013, as amended and supplemented,

Based on the provisions of art. 4 par. (3) letter b) of the Accounting Law no. 82 / 1991 republished, as subsequently amended and supplemented,

According to the deliberations of the Financial Supervisory Authority Council of 8 November 2017

The **Financial Supervisory Authority** issues the following rule:

Art. I. - The Financial Supervisory Authority Rule no. 39/2015 for the Approval of Accounting Regulations in Accordance with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority of the Financial Instruments and Investments Sector, published in the Official Gazette of Romania, Part I , no. 982 and 982 bis of December 30, 2015, shall be amended and supplemented as follows:

1. In Article 6, after paragraph (7), two new paragraphs, paragraphs (7¹) and (7²), are inserted with the following content:

„(7¹) In the annual reports referred to in paragraph (7), the presentation of items such as assets, liabilities and equity, respectively income and expenditure, may be different from the one in the annual financial statements in accordance with IFRS, this being determined by the information requirements of the state institutions.

(7²) If the change in accounting policies or the correction of accounting errors require the restatement of comparative information, the reporting referred to in paragraph (7¹) shall contain restated comparative information. In this case, the comparative information on items such as assets, liabilities and equity, respectively incomes and expenses, are the ones determined by the application of the new accounting policies and the correction of accounting errors.”

2. In Annex no. 1 Article 47 (3) shall be repealed.

3. In Annex no. 1 Article 58, paragraph 16 shall be amended and shall have the following content:

„(16) The exchange differences on non-monetary financial assets classified as fair value through other items of the comprehensive income are reflected in account 1036 "Foreign exchange differences on non-monetary financial assets denominated in foreign currency classified as fair value through other elements of the overall result.”.

4. In Annex no. 1 Article 80 letters (b), (c), (e) and (f) of paragraph 1 shall be amended and shall have the following content:

„b) valuation differences in hedging instruments (account 1037 "Differences in hedge accounting") ;

c) differences in fair value of financial assets at fair value through other comprehensive income (account 1035 "Differences from changes in fair value of financial assets measured at fair value through other comprehensive income");

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e) exchange rate differences related to non-monetary financial assets in foreign currency, in the category of fair value through other comprehensive income («1036 Foreign exchange differences on non-monetary financial assets, denominated in foreign currency, classified as at fair value through other comprehensive income »);

f) favorable or unfavorable differences in the subsequent valuation of financial assets measured at fair value through other comprehensive income (account 1035 'Differences in the fair value change of financial assets measured at fair value through other items of the separate global/analytical result, as the case may be.»);”

5. In Annex 1, Article 80, paragraphs (3) and (4) shall be amended and shall have the following content:

„(3) Dividends and similar income from financial assets at fair value through other comprehensive income are recorded in account 7623 "Revenues related to financial assets at fair value through other comprehensive separate global/analytical result.».

(4) In the derecognition of financial assets measured at fair value through other comprehensive income, gains or losses representing favorable or unfavorable valuation differences previously recorded in account 1035 "Differences from the fair value adjustment of financial assets measured at fair value through other items of comprehensive income», shall be recorded in account 7623 "Revenues related to financial assets at fair value through other comprehensive income" / separate analytical, respectively 6613 "Losses from disposal of financial assets at fair value through other comprehensive income" / separate analytical.».

6. In Annex no. 1, Article 80 paragraphs (5) and (6) shall be repealed.

7. In Annex no. 1, Article 101, accounts 1035, 1036 and 1037 shall be amended and shall have the following content:

„1035 Differences in the change in fair value of financial assets measured at fair value through other comprehensive income (A / P)

1036 1036 Foreign exchange differences on non-monetary financial assets denominated in foreign currency classified as fair value through other comprehensive income (A / P)

1037 Differences in hedge accounting (A/P)”

8. In Annex no. 1 Article 101, groups 26 "Financial assets", 50 "Short-term investments" and 59 "Adjustments for the impairment of the treasury accounts" are amended and shall have the following content:

- „26 FINANCIAL ASSETS
- 261 Shares held in subsidiaries
- 2611 Securities at cost (A)
- 2612 Securities at fair value through profit or loss (A)
- 2613 Securities at fair value through other comprehensive income (A)
- 262 Shares held in associated entities
- 2621 Securities at cost (A)
- 2622 Securities at fair value through profit or loss (A)
- 2623 Securities at fair value through other comprehensive income (A)
- 263 Shares held in jointly controlled entities
- 2631 Securities at cost (A)
- 2632 Securities at fair value through profit or loss (A)
- 2633 Securities at fair value through other comprehensive income (A)
- 264 Investments accounted for using the equity method (A)
- 265 Other fixed assets
- 2651 Other fixed assets designated at fair value through profit or loss (A)
- 2652 Other fixed assets at fair value through other comprehensive income (A)
- 267 Fixed Assets
- 2671 Amounts receivable from group entities (A)
- 2672 Interest on the amounts receivable from group entities (A)
- 2673 Receivables from associates and jointly controlled entities (A)
- 2674 Interest on receivables from associates and jointly controlled entities (A)
- 2675 Long-term loans (A)
- 2676 Interest on long-term loans (A)
- 2677 Bonds purchased at issues made by third parties (A)
- 2678 Other Fixed Assets (A)
- 2679 Interest on other non-current receivables (A)
- 269 Amounts payable for financial assets
- 2691 Amounts payable on shares held in subsidiaries (P)
- 2692 Amounts payable on shares held in associates (P)
- 2693 Amounts payable on shares held in jointly controlled entities
- 2695 Amounts payable for other financial assets (P)
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- 50 SHORT-TERM INVESTMENTS
- 503 Shares
- 5031 Listed shares (A)
- 50311 Listed shares held for trading
- 50312 Listed shares bought - in course of settlement
- 50313 Listed shares sold - under settlement
- 505 Bonds issued and redeemed (A)
- 506 Bonds
- 5061 Listed bonds (A)
- 50611 Listed bonds held
- 50612 Listed bonds bought – under settlement
- 50613 Listed bonds sold – under settlement
- 5062 Unlisted bonds (A)
- 50621 Unlisted bonds held

- 50622 Unlisted bonds bought – under settlement
- 50623 Unlisted bonds sold – under settlement
- 507 Government securities
- 5071 Listed government securities (A)
- 50711 Listed government securities held
- 50712 Listed government securities bought – under settlement
- 50713 Listed government securities sold – under settlement
- 5072 Unlisted government bonds (A)
- 50721 Unlisted government bonds held
- 50722 Unlisted government bonds bought – under settlement
- 50723 Unlisted government bonds sold – under settlement
- 508 Other short-term investments and assimilated receivables
- 5081 Other investment securities (A)
- 50811 Other investment securities listed
- 50812 Other investment securities unlisted
- 5082 Derivatives - margin call(A)
- 5088 Interest on bonds, government securities and investment securities (A)
- 50881 Interest on listed bonds
- 50882 Interest on unlisted bonds
- 50883 Interest on investment securities listed
- 50884 Interest on investment securities unlisted
- 50885 Interest on government bonds listed
- 50886 Interest on government bonds unlisted
- 509 Amounts payable for short-term investments
- 5091 Amounts payable for shares held in affiliated entities (P)
- 5098 Amounts payable for other short-term investments (P)
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- 59 Adjustments for the loss of treasury accounts
- 591 Adjustments for the impairment of shares held in affiliated entities
- 593 Adjustments for the impairment of shares
- 5931 Adjustments for the impairment of listed shares (P)
- 595 Adjustments for the impairment of issued and redeemed bonds (P)
- 596 Adjustments for the impairment of bonds
- 5961 Adjustments for the impairment of listed bonds (P)
- 5962 Adjustments for the impairment of unlisted bonds (P)
- 597 Adjustments for the impairment of government bonds
- 5971 Adjustments for the impairment of listed government bonds (P)
- 5972 Adjustments for the impairment of unlisted government bonds (P)
- 598 Adjustments for the impairment of other short-term investments and assimilated claims
- 5981 Adjustments for the impairment of other listed securities (P)
- 5982 Adjustments for impairment of other unlisted securities (P)
- 5988 Adjustments for the impairment of derivative financial instruments (P)”

9. In Annex no. 1 Article 101, account 6613 shall be amended and shall have the following content:

„6613 Losses from the disposal of financial assets at fair value through other comprehensive income”

10. In Annex no. 1 article 101, after account 6864, a new account, account 6865, shall be inserted, with the following content:

„6865 Financial expenditures on the depreciation of differences in government bonds”

11. In Annex no. 1 article 101, account 7623 shall be amended and shall have the following content:

„7623 Income relating to financial assets measured at fair value through other items of comprehensive income.”

12. In Annex no. 1 Article 101, the name of group 78 and account 786 shall be amended and shall have the following content

„78 INCOME FROM PROVISIONS, DEPRECIATION AND ADJUSTMENTS FOR IMPAIRMENT OR LOSS OF VALUE

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786 Financial income from depreciation and adjustments for impairment.”

13. In Annex no. 1, article 101, after account 7864 a new account shall be inserted, account 7865 with the following contents:

„7865 Financial income from the amortization of differences in government bonds”

14. In Annex no. 1, Chapter VI, the functions of the accounts 1035, 1036, 1037, 261, 262, 263, 264, 661 and 786 shall be amended and shall have the following content:

„Account 1035 "Differences in the change in fair value of financial assets measured at fair value through other items of comprehensive income ", which highlights the differences resulting from the measurement of financial assets at fair value through other items of comprehensive income.

Account 1036 "Foreign exchange differences on non-monetary financial assets denominated in foreign currency classified as fair value through other comprehensive income", which distinguishes the foreign exchange differences of non-monetary financial assets denominated in foreign currency classified in the category of those measured at fair value through other items of comprehensive income. "

Account 1037 "Differences in hedge accounting", which highlights the differences in the evaluation of hedging instruments.

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Account 261 " Shares held in subsidiaries" which highlights shares held in subsidiaries such as securities at cost, securities at fair value through profit or loss, securities at fair value through other comprehensive income.

Account 262 " Shares held in associated entities", which highlights the shares held in associates, such as: securities at cost, securities at fair value through profit or loss, securities at fair value through other comprehensive income.

Account 263 "Shares held in jointly controlled entities", which highlight the shares held by the entity in the equity of jointly controlled entities, such as: securities at cost, securities at fair value through profit or loss, securities as fair value through other comprehensive result. Account 264 " Titles available at equity", with the help of which are evidenced the participations evaluated by the equity method.

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Account 661 "Expenditures on operations with securities and other financial instruments " which highlights the losses resulting from the valuation of financial assets and

liabilities through the profit and loss account and from the disposal of financial assets measured at fair value through other comprehensive income.

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Account 762 "Revenues from operations with securities and other financial instruments " which highlights gains from the measurement of financial assets and liabilities through the income statement and gains resulted from the disposal of financial assets measured at fair value through other items of the overall result.

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Account 786 "Financial income from depreciation and adjustments for impairment ", which highlights the financial income from impairment adjustments as well as the favorable differences in the purchased, depreciable government bonds."

Art. II. - This rule shall be published in the Official Gazette of Romania, Part I, in the Bulletin and on the website of the Financial Supervisory Authority and shall enter into force on the date of its publication in the Official Gazette of Romania.

Chairman of the Financial Supervisory Authority,
Leonardo Badea

Bucharest,
No. 2/2018