**ELTI-EIB Workshop**

**InvestEU reporting under IPSAS**

**Online Meeting**

**Friday, 27 November 2020**

**10:00 – 11.30 am (CEST - Brussels time)**

**Meeting Link:** [**https://global.gotomeeting.com/join/952863501**](https://global.gotomeeting.com/join/952863501)

**Agenda**

**Welcome** Helmut von Glasenapp, Secretary General, ELTI
Tobias Haumer, Senior Policy Officer, EIB

**Questions and answers with the EIB Group experts:**

 **Susanne Quest, EIB
 Michaël Lavallee, EIF**

**Outlook and closing session**

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**Questions from members:**

* When an IFRS-based financial statement is prepared, most of the assets fall under IFRS9 standard. However, IPSAS is still at IAS39 level, since IPSAS41, that is based on IFRS9, is not yet mandatory (its application will be compulsory for the years beginning on or after 1 January 2022). As we have understood, the EU plans an early adoption for IPSAS41, but for the moment, we have no certain knowledge in this respect. If the situation will remain as is currently planned, there might be implementing partners of the InvestEU that will prepare their own financial statements under IFRS based on IFRS9, while they will need to present all the numbers to the EU based on IPSAS29 (IAS39).
* Has the EIB already reported to the committee on the basis of IPSAS 41? If so, what implementation difficulties/challenges has EIB faced? From EIB perspective what are the main challenges of implementing IPSAS 41 requirements vs current requirements?
* If the remuneration/fee was not market conform, what valuation technique other than observation of an active market was used at initial recognition?
* Are there differences between IFRS 9 and IPSAS 41 regarding the 12-months or lifetime ECL valuation?
* What criteria where used in allocation between three stages at an aggregate level?
* Should the EIB have already made the transition from IFRS9 to IPSAS29 (IAS39), what were their biggest challenges concerning it? If the EIB is still ahead of it, how do they prepare themselves for the transition year of 2021 if, in the end, IPSAS41 will not be early adopted by the EU?
* What will be the specific scope of the reporting requirements under InvestEU from EIB point of view as the IPSAS descriptions received thus far are not entirely clear?
* What was a basis of information for risk parameters used to calculate risk provisions for guarantees issued (guarantees granted and guarantees paid)?
* What is the volume of EIB/EIF mandates under IPSAS reporting (and relation to overall portfolio)?
* Number of FTE for financial reporting (of which for IPSAS reporting)?
* Since when does the EIB apply IPSAS?
* What were main challenges during the transition to IPSAS?
* For which other mandate does the EIB IPSAS reporting besides for the EU?
* Which other accounting standards do you use?
* How you transposing intermediated finances into IPSAS, where your counterparts provide financial reporting under other accounting standards (same as EIF)? Could you please discuss on intelligent solutions EIB has implemented in order to cover the information needs of the EU institutions and to include data from different financial intermediaries and accounting standards?
* Besides financial statement under IPSAS what other information you were required to prepare for reporting to EU regarding financial instruments issued?
* Based on your experience, what simplifications could have been used if no detailed information/data is provided by intermediary partners in order to calculate risk parameters/risk provisions?
* What are the intended reporting deadlines under IPSAS? How does EIB and EIF deal with the tight timeline for reporting set by the European Commission?
* Did the EIB discuss with the European Commission in the past about the use of the possible flexibility in the Financial Regulation about the use of reporting standards? If the entity fully follows IFRS-standards and complete financial statements according to IFRS, why the financial statements according to IFRS cannot be accepted?
* Will the European Commission (EC) require that implementing partners report their entire activity under IPSAS or only the part related to InvestEU / other EU funds?
* In terms of financial statement presentation and notes to the financial statement, what are the differences between IPSAS and IFRS? What kind of additional value does financial statements prepared according to IPSAS have compared to IFRS?
* From which financial period does the EU require entities to prepare financial statements according to IPSAS? Does the EIB expect to have a 2021 financial statement under IPSAS already even if InvestEU will start only in the 2nd half of 2021?
* When do financial statements prepared according to IPSAS have to be published (timetable after financial period has ended)?
* What is the expected reporting frequency?

The concern in this matter is, that entities may not able to publish the IPSAS financial statements at the same time as the IFRS financial statements are published.

* Does the entity have to audit IPSAS financial statements? If so, what kind of audit procedures would they be (statutory audit or something else)? In a case external audit under IPSAS is required, whether it could be combined with the statutory IFRS audit?
* What is the scope of audit if entities have to prepare their financial statements according to IPSAS?
* Will the EC provide a tool or template for reporting under IPSAS?