

# MFSA

---

## MALTA FINANCIAL SERVICES AUTHORITY

### Circular on ESMA Statement

#### Common Enforcement Priorities for the 2018 financial statements

The Authority would like to draw your attention to the following public statement issued by the European Securities Markets Authority ('ESMA') on 26 October 2018:

ESMA has published its annual Public Statement on European Common Enforcement Priorities (the Statement) which identifies enforcement priorities for listed companies' 2018 financial statements.

The common enforcement priorities for 2018 year-end, outlined in this Statement are:

1. Specific issues related to the application of IFRS 15 *Revenue from Contracts with Customers*;
2. Specific issues related to the application of IFRS 9 *Financial Instruments*; and
3. Disclosure of the expected impact of implementation of IFRS 16 *Leases*.

As outlined in the Public Statement, ESMA has selected these topics in view of the anticipated significant changes that the new requirements have introduced. Both ESMA as well as enforcers will continue to assess relevant issues monitored in previous years.

In addition to the common enforcement priorities outlined above, ESMA highlights specific requirements relating to the sections of the annual financial report other than the financial statements. These include the requirements with regards to:

- The disclosure of non-financial information with particular focus on: environmental and climate change-related matters, explanation as to why certain policies were not pursued; and key-performance indicators relating to non-financial policies; and
- Specific aspects of the ESMA Guidelines on Alternative Performance Measures (APMs), namely the definition and explanation of APMs and the principle of prominence.

ESMA also highlights the importance of disclosures on the impact of the decision of the United Kingdom to leave the European Union (Brexit).

Additional information can be obtained through the following [link](#).

# MFSA

---

## MALTA FINANCIAL SERVICES AUTHORITY

### **Contacts**

Any queries or requests for clarifications in respect of the above should be addressed to Ms Stephanie Buhagiar Camilleri, Senior Analyst, Securities and Markets Supervision Unit by email on [scamilleri@mfsa.com.mt](mailto:scamilleri@mfsa.com.mt) or on [capitalmarkets@mfsa.com.mt](mailto:capitalmarkets@mfsa.com.mt).

**Communications Unit**  
**Malta Financial Services Authority**  
**29 October 2018**