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⁽¹⁾ Text with EEA relevance.

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

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DECISIONS

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II

(Non-legislative acts)

INTERNATIONAL AGREEMENTS

Information concerning the entry into force of the Agreement for scientific and technological cooperation between the European Union and the Arab Republic of Egypt setting out the terms and conditions for the participation of the Arab Republic of Egypt in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA)

The Agreement for scientific and technological cooperation between the European Union and the Arab Republic of Egypt setting out the terms and conditions for the participation of the Arab Republic of Egypt in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) ⁽¹⁾, signed on 27 October 2017, has, in accordance with Article 4(2) thereof, entered into force on 15 March 2018.

⁽¹⁾ OJ L 316, 1.12.2017, p. 9.

Information concerning the entry into force of the Agreement for scientific and technological cooperation between the European Union and the Hashemite Kingdom of Jordan setting out the terms and conditions for the participation of the Hashemite Kingdom of Jordan in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA)

The Agreement for scientific and technological cooperation between the European Union and the Hashemite Kingdom of Jordan setting out the terms and conditions for the participation of the Hashemite Kingdom of Jordan in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) ⁽¹⁾, signed on 10 November 2017, has, in accordance with Article 4(2) thereof, entered into force on 16 January 2018.

⁽¹⁾ OJ L 348, 29.12.2017, p. 29.

REGULATIONS

COMMISSION REGULATION (EU) 2018/519

of 28 March 2018

amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards Interpretation 22 of the International Financial Reporting Interpretations Committee

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards ⁽¹⁾, and in particular Article 3(1) thereof,

Whereas:

- (1) By Commission Regulation (EC) No 1126/2008 ⁽²⁾ certain international standards and interpretations that were in existence at 15 October 2008 were adopted.
- (2) On 8 December 2016, the International Accounting Standards Board (IASB) issued Interpretation 22 *Foreign Currency Transactions and Advance Consideration* of the International Financial Reporting Interpretations Committee (IFRIC 22). The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.
- (3) The consultation with the European Financial Reporting Advisory Group confirms that the Interpretation IFRIC 22 meets the criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.
- (4) Regulation (EC) No 1126/2008 should therefore be amended accordingly.
- (5) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee,

HAS ADOPTED THIS REGULATION:

Article 1

In the Annex to Regulation (EC) No 1126/2008, IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration* is inserted as set out in the Annex to this Regulation.

Article 2

Each company shall apply the amendments referred to in Article 1, at the latest, as from the commencement date of its first financial year starting on or after 1 January 2018.

⁽¹⁾ OJ L 243, 11.9.2002, p. 1.

⁽²⁾ Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (OJ L 320, 29.11.2008, p. 1).

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 March 2018.

For the Commission

The President

Jean-Claude JUNKER

ANNEX

IFRIC® Interpretation 22***Foreign Currency Transactions and Advance Consideration***

REFERENCES

- The Conceptual Framework for Financial Reporting
- IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- IAS 21 *The Effects of Changes in Foreign Exchange Rates*

BACKGROUND

1. Paragraph 21 of IAS 21 *The Effects of Changes in Foreign Exchange Rates* requires an entity to record a foreign currency transaction, on initial recognition in its functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency (the exchange rate) at the date of the transaction. Paragraph 22 of IAS 21 states that the date of the transaction is the date on which the transaction first qualifies for recognition in accordance with IFRS Standards (Standards).
2. When an entity pays or receives consideration in advance in a foreign currency, it generally recognises a non-monetary asset or non-monetary liability ⁽¹⁾ before the recognition of the related asset, expense or income. The related asset, expense or income (or part of it) is the amount recognised applying relevant Standards, which results in the derecognition of the non-monetary asset or non-monetary liability arising from the advance consideration.
3. The IFRS Interpretations Committee (the Interpretations Committee) initially received a question asking how to determine 'the date of the transaction' applying paragraphs 21–22 of IAS 21 when recognising revenue. The question specifically addressed circumstances in which an entity recognises a non-monetary liability arising from the receipt of advance consideration before it recognises the related revenue. In discussing the issue, the Interpretations Committee noted that the receipt or payment of advance consideration in a foreign currency is not restricted to revenue transactions. Accordingly, the Interpretations Committee decided to clarify the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

SCOPE

4. This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).
5. This Interpretation does not apply when an entity measures the related asset, expense or income on initial recognition:
 - (a) at fair value; or
 - (b) at the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability arising from advance consideration (for example, the measurement of goodwill applying IFRS 3 *Business Combinations*).
6. An entity is not required to apply this Interpretation to:
 - (a) income taxes; or
 - (b) insurance contracts (including reinsurance contracts) that it issues or reinsurance contracts that it holds.

⁽¹⁾ For example, paragraph 106 of IFRS 15 *Revenue from Contracts with Customers* requires that if a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (i.e. a receivable), before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

ISSUE

7. This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

CONSENSUS

8. Applying paragraphs 21–22 of IAS 21, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.
 9. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
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*Appendix A***Effective date and transition**

This Appendix is an integral part of IFRIC 22 and has the same authority as the other parts of IFRIC 22.

EFFECTIVE DATE

A1 An entity shall apply this Interpretation for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted. If an entity applies this Interpretation for an earlier period, it shall disclose that fact.

TRANSITION

A2 On initial application, an entity shall apply this Interpretation either:

- (a) retrospectively applying IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; or
- (b) prospectively to all assets, expenses and income in the scope of the Interpretation initially recognised on or after:
 - (i) the beginning of the reporting period in which the entity first applies the Interpretation; or
 - (ii) the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Interpretation.

A3 An entity that applies paragraph A2(b) shall, on initial application, apply the Interpretation to assets, expenses and income initially recognised on or after the beginning of the reporting period in paragraph A2(b)(i) or (ii) for which the entity has recognised non-monetary assets or non-monetary liabilities arising from advance consideration before that date.

Appendix B

The amendment in this Appendix shall be applied for annual reporting periods beginning on or after 1 January 2018. If an entity applies this Interpretation for an earlier period this amendment shall be applied for that earlier period.

Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards

Paragraph 39AC is added.

39AC IFRIC 22 *Foreign Currency Transactions and Advance Consideration* added paragraph D36 and amended paragraph D1. An entity shall apply that amendment when it applies IFRIC 22.

In Appendix D, paragraph D1 is amended. A heading and paragraph D36 are added.

D1 An entity may elect to use one or more of the following exemptions:

- (a) share-based payment transactions (paragraphs D2 and D3);
- (b) ...
- (t) designation of contracts to buy or sell a non-financial item (paragraph D33);
- (u) revenue (paragraphs D34 and D35); and
- (v) foreign currency transactions and advance consideration (paragraph D36).

Foreign Currency Transactions and Advance Consideration

D36 A first-time adopter need not apply IFRIC 22 *Foreign Currency Transactions and Advance Consideration* to assets, expenses and income in the scope of that Interpretation initially recognised before the date of transition to IFRS Standards.

COMMISSION IMPLEMENTING REGULATION (EU) 2018/520**of 28 March 2018****amending Regulation (EU) No 37/2010 to classify the substance solvent naphtha, light aromatic, as regards its maximum residue limit****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 470/2009 of the European Parliament and of the Council of 6 May 2009 laying down Community procedures for the establishment of residue limits of pharmacologically active substances in foodstuffs of animal origin, repealing Council Regulation (EEC) No 2377/90 and amending Directive 2001/82/EC of the European Parliament and of the Council and Regulation (EC) No 726/2004 of the European Parliament and the Council ⁽¹⁾, and in particular Article 14 in conjunction with Article 17 thereof,

Having regard to the opinion of the European Medicines Agency formulated by the Committee for Medicinal Products for Veterinary Use,

Whereas:

- (1) Article 17 of Regulation (EC) No 470/2009 requires that the maximum residue limit (MRL) for pharmacologically active substances intended for use in the Union in veterinary medicinal products for food-producing animals or in biocidal products used in animal husbandry is established in a Regulation.
- (2) Table 1 of the Annex to Commission Regulation (EU) No 37/2010 ⁽²⁾ sets out the pharmacologically active substances and their classification regarding MRLs in foodstuffs of animal origin.
- (3) The substance solvent naphtha, light aromatic, is not included in that table.
- (4) An application for the establishment of MRLs for solvent naphtha, light aromatic, in all food producing species has been submitted to the European Medicines Agency ('EMA').
- (5) EMA, based on the opinion of the Committee for Medicinal Products for Veterinary Use, has recommended that the establishment of an MRL for solvent naphtha, light aromatic, in all food producing species is not necessary for the protection of human health.
- (6) According to Article 5 of Regulation (EC) No 470/2009, EMA is to consider using MRLs established for a pharmacologically active substance in a particular foodstuff for another foodstuff derived from the same species, or MRLs established for a pharmacologically active substance in one or more species for other species.
- (7) EMA has considered that the extrapolation of the 'no MRL required' classification for solvent naphtha, light aromatic, is not applicable as the recommendation is for all food producing species.
- (8) Regulation (EU) No 37/2010 should therefore be amended accordingly.
- (9) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on Veterinary Medicinal Products,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EU) No 37/2010 is amended as set out in the Annex to this Regulation.

⁽¹⁾ OJ L 152, 16.6.2009, p. 11.

⁽²⁾ Commission Regulation (EU) No 37/2010 of 22 December 2009 on pharmacologically active substances and their classification regarding maximum residue limits in foodstuffs of animal origin (OJ L 15, 20.1.2010, p. 1).

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 March 2018.

For the Commission

The President

Jean-Claude JUNKER

ANNEX

In Table 1 of the Annex to Regulation (EU) No 37/2010, an entry for the following substance is inserted in alphabetical order:

Pharmacologically active Substance	Marker residue	Animal Species	MRL	Target Tissues	Other Provisions (according to Article 14(7) of Regulation (EC) No 470/2009)	Therapeutic Classification
'Solvent naphtha, light aromatic, with cumene concentration not exceeding 2,5 %, and benzene concentration not exceeding 0,0002 %	NOT APPLICABLE	All food producing species	No MRL required	NOT APPLICABLE	For cutaneous use only. Only at volume not exceeding 15 µl solvent naphtha/kg bw	NO ENTRY'

COMMISSION IMPLEMENTING REGULATION (EU) 2018/521**of 28 March 2018****amending Regulation (EC) No 1296/2008 laying down detailed rules for the application of tariff quotas for imports of maize and sorghum into Spain and imports of maize into Portugal**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 ⁽¹⁾, and in particular point (c) of Article 187 thereof,

Whereas:

- (1) Commission Regulation (EC) No 1296/2008 ⁽²⁾ lays down the rules for the application of tariff quotas for imports of maize and sorghum into Spain and imports of maize into Portugal.
- (2) In accordance with Article 6 of Regulation (EC) No 1296/2008, a flat-rate reduction may be applied to the import duty fixed in accordance with Commission Regulation (EU) No 642/2010 ⁽³⁾. Such a reduction was fixed by Commission Delegated Regulation (EU) 2018/94 ⁽⁴⁾ for the import duty for sorghum imported into Spain from third countries. That reduction applies to the available balance of the quantities of sorghum to be imported into Spain under the tariff quota opened on 1 January 2017.
- (3) In order to benefit from that flat-rate reduction, those quantities are subject to specific rules. In particular, point (a) of Article 12(1) of Regulation (EC) No 1296/2008 provides that where a flat-rate reduction has been adopted by the Commission, the period of validity of licences is to correspond to the period as specified in Article 6 of Commission Regulation (EC) No 1342/2003 ⁽⁵⁾. However, the relevant point of the latter provision has been deleted by Commission Delegated Regulation (EU) 2016/1237 ⁽⁶⁾, which, together with Commission Implementing Regulation (EU) 2016/1239 ⁽⁷⁾, lays down rules for applying the system of import and export licences for agricultural products provided for in Regulation (EU) No 1308/2013. It is therefore appropriate to reintroduce a rule regarding the period of validity of licences for the purposes of Regulation (EC) No 1296/2008. For reasons of clarity, that rule should be incorporated directly into Regulation (EC) No 1296/2008.
- (4) Regulation (EC) No 1296/2008 should therefore be amended accordingly.
- (5) In the interest of legal certainty, it should be made clear that the rule regarding the period of validity applies to all the licences issued under Delegated Regulation (EU) 2018/94. This Regulation should therefore apply retroactively from the date of entry into force of Delegated Regulation (EU) 2018/94.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ Commission Regulation (EC) No 1296/2008 of 18 December 2008 laying down detailed rules for the application of tariff quotas for imports of maize and sorghum into Spain and imports of maize into Portugal (OJ L 340, 19.12.2008, p. 57).

⁽³⁾ Commission Regulation (EU) No 642/2010 of 20 July 2010 on rules of application (cereal sector import duties) for Council Regulation (EC) No 1234/2007 (OJ L 187, 21.7.2010, p. 5).

⁽⁴⁾ Commission Delegated Regulation (EU) 2018/94 of 16 November 2017 fixing a flat-rate reduction for the import duty for sorghum in Spain imported from third countries (OJ L 17, 23.1.2018, p. 7).

⁽⁵⁾ Commission Regulation (EC) No 1342/2003 of 28 July 2003 laying down special detailed rules for the application of the system of import and export licences for cereals and rice (OJ L 189, 29.7.2003, p. 12).

⁽⁶⁾ Commission Delegated Regulation (EU) 2016/1237 of 18 May 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to the rules for applying the system of import and export licences and supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to the rules on the release and forfeit of securities lodged for such licences, amending Commission Regulations (EC) No 2535/2001, (EC) No 1342/2003, (EC) No 2336/2003, (EC) No 951/2006, (EC) No 341/2007 and (EC) No 382/2008 and repealing Commission Regulations (EC) No 2390/98, (EC) No 1345/2005, (EC) No 376/2008 and (EC) No 507/2008 (OJ L 206, 30.7.2016, p. 1).

⁽⁷⁾ Commission Implementing Regulation (EU) 2016/1239 of 18 May 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to the system of import and export licences (OJ L 206, 30.7.2016, p. 44).

HAS ADOPTED THIS REGULATION:

Article 1

In Article 12 of Regulation (EC) No 1296/2008, paragraph 1 is replaced by the following:

‘1. The period of validity of licences shall be:

- (a) the period from the day of issue until the end of the second month following the month of the day of issue, in cases where a flat-rate reduction has been adopted by the Commission;
- (b) the period specified in the Regulation opening the invitation to tender, in the case of licences issued under a tendering procedure for the duty reduction.’

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 26 January 2018.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 March 2018.

For the Commission
The President
Jean-Claude JUNCKER

DECISIONS

POLITICAL AND SECURITY COMMITTEE DECISION (CFSP) 2018/522

of 27 March 2018

on the appointment of the EU Force Commander for the European Union military operation to contribute to the deterrence, prevention and repression of acts of piracy and armed robbery off the Somali coast (Atalanta) and repealing Decision (CFSP) 2017/1356 (ATALANTA/1/2018)

THE POLITICAL AND SECURITY COMMITTEE,

Having regard to the Treaty on European Union, and in particular Article 38 thereof,

Having regard to Council Joint Action 2008/851/CFSP of 10 November 2008 on a European Union military operation to contribute to the deterrence, prevention and repression of acts of piracy and armed robbery off the Somali coast ⁽¹⁾, and in particular Article 6 thereof,

Whereas:

- (1) Pursuant to Article 6(1) of Joint Action 2008/851/CFSP, the Council authorised the Political and Security Committee (PSC) to take the relevant decisions on the appointment of the EU Force Commander for the European Union military operation to contribute to the deterrence, prevention and repression of acts of piracy and armed robbery off the Somali coast ('EU Force Commander').
- (2) On 18 July 2017, the PSC adopted Decision (CFSP) 2017/1356 ⁽²⁾ appointing Rear Admiral Fabio GREGORI as EU Force Commander.
- (3) The EU Operation Commander has recommended the appointment of Rear Admiral Simone MALVAGNA as the new EU Force Commander to succeed Rear Admiral Fabio GREGORI as from 5 April 2018.
- (4) On 5 March 2018, the EU Military Committee supported that recommendation.
- (5) Decision (CFSP) 2017/1356 should therefore be repealed.
- (6) In accordance with Article 5 of Protocol No 22 on the position of Denmark, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, Denmark does not participate in the elaboration and the implementation of decisions and actions of the Union which have defence implications,

HAS ADOPTED THIS DECISION:

Article 1

Rear Admiral Simone MALVAGNA is hereby appointed EU Force Commander for the European Union military operation to contribute to the deterrence, prevention and repression of acts of piracy and armed robbery off the Somali coast (Atalanta) as from 5 April 2018.

Article 2

Decision (CFSP) 2017/1356 is repealed.

⁽¹⁾ OJ L 301, 12.11.2008, p. 33.

⁽²⁾ Political and Security Committee Decision (CFSP) 2017/1356 of 18 July 2017 on the appointment of the EU Force Commander for the European Union military operation to contribute to the deterrence, prevention and repression of acts of piracy and armed robbery off the Somali coast (Atalanta), and repealing Decision (CFSP) 2017/321 (ATALANTA/2/2017) (OJ L 190, 21.7.2017, p. 12).

Article 3

This Decision shall enter into force on 5 April 2018.

Done at Brussels, 27 March 2018.

For the Political and Security Committee

The Chairperson

W. STEVENS

