Updating of the SNA-93,
issue 3: EMPLOYEE STOCK OPTIONS (ESOs)

Advisory Expert Group’s (AEG) recommendations of 02/2004:
- ESOs are part of the compensation of employees.
- The value of ESOs is to be spread between the grant and the vesting date if possible.
- ESOs should be valued at market prices, or by using a suitable option pricing model.
- ESOs should be recorded in the financial accounts as financial derivatives in a separate category.

German opinion:

a) We do support the proposed treatment of ESOs as compensation of employees.
b) We agree with the two recommendations concerning the timing and the valuation, if they are in line with the rules for business accounting (according the IASB proposals).
c) We are not in favour of showing ESOs as a compulsory separate category in financial accounts, due to missing data.