

**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.