

Wednesday 10 March 2010

Annual accounts of certain types of companies as regards micro-entities *I**

P7_TA(2010)0052

European Parliament legislative resolution of 10 March 2010 on the proposal for a directive of the European Parliament and of the Council amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities (COM(2009)0083 – C6-0074/2009 – 2009/0035(COD))

(2010/C 349 E/28)

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2009)0083),
 - having regard to Article 251(2) and Article 44(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0074/2009),
 - having regard to the Communication from the Commission to the European Parliament and the Council entitled 'Consequences of the entry into force of the Treaty of Lisbon for ongoing interinstitutional decision-making procedures' (COM(2009)0665),
 - having regard to Article 294(3) and Article 50(1) of the Treaty on the Functioning of the EU,
 - having regard to the opinion of the European Economic and Social Committee of 15 July 2009 ⁽¹⁾,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Legal Affairs and the opinion of the Committee on Economic and Monetary Affairs (A7-0011/2010),
1. Adopts the position at first reading hereinafter set out;
 2. Calls for a general revision of the 4th and 7th Company Law Directives in 2010;
 3. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 4. Instructs its President to forward its position to the Council, to the Commission and to the national parliaments.

⁽¹⁾ OJ C 317, 23.12.2009, p. 67.

Wednesday 10 March 2010

P7_TC1-COD(2009)0035

Position of the European Parliament adopted at first reading on 10 March 2010 with a view to the adoption of Directive 2010/.../EU of the European Parliament and of the Council amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

- Having regard to the Treaty on the Functioning of the European Union, and in particular Article 50(1) thereof,
- Having regard to the proposal from the European Commission,
- Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,
- Acting in accordance with the ordinary legislative procedure ⁽²⁾,

Whereas:

- (1) The European Council of 8 and 9 March 2007 underlined in its conclusions that reducing administrative burden is important for boosting Europe's economy and that a strong joint effort to reduce administrative burdens within the EU is necessary.
- (2) Accounting has been identified as one of the key areas for reducing administrative burdens for companies within the Union.
- (3) In its Communication on a simplified business environment for companies in the areas of company law, accounting and auditing the Commission identified possible amendments to the Fourth Council Directive 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies ⁽³⁾, including an option for Member States to exempt micro-entities from the obligation to draw up annual accounts in accordance with that Directive.
- (4) Commission Recommendation 2003/361/EC ⁽⁴⁾ defines micro, small and medium-sized enterprises. However, consultations with Member States have indicated that the thresholds for micro-enterprises laid down in that Recommendation may be too high for accounting purposes. Therefore, a sub-group of micro-enterprises, so-called micro-entities, should be introduced to cover companies with lower thresholds for balance sheet total and net turnover than the thresholds set up for micro-enterprises.
- (5) Micro-entities are in most cases engaged in business at local or regional level with no, or limited, cross-border activity and have limited resources with which to comply with demanding regulatory requirements. In addition, micro-entities are important for creating new jobs, fostering research and development and creating new economic activities.
- (6) Micro-entities are however often subject to the same reporting rules as larger companies. Those rules place a burden on them which is not in proportion to their size and is therefore disproportionate for the smallest enterprises as compared to larger ones. Therefore, it should be possible to exempt micro-entities from the obligation to draw up annual accounts, even if such accounts provide an input for statistical information. **However, micro-entities must still be subject to the obligation to keep records showing the company's business transactions and financial situation as a minimum standard to which Member States remain free to add further obligations.**

⁽¹⁾ OJ C 317, 23.12.2009, p. 67.

⁽²⁾ Position of the European Parliament of 10 March 2010.

⁽³⁾ OJ L 222, 14.8.1978, p. 11.

⁽⁴⁾ OJ L 124, 20.5.2003, p. 36.

Wednesday 10 March 2010

- (7) The High Level Group of Independent Stakeholders on Administrative Burdens called in its opinion of 10 July 2008 for rapid enactment of an option enabling Member States to exempt micro-entities from the obligation to draw up annual accounts pursuant to Directive 78/660/EEC.
- (8) In its resolution of 18 December 2008 on accounting requirements as regards small and medium-sized companies, particularly micro-entities ⁽¹⁾, the European Parliament called on the Commission to present a legislative proposal that would allow Member States to exempt micro-entities from the scope of Directive 78/660/EEC.
- (9) ***Given that the threshold values set in this Directive will apply to numbers of businesses which will vary greatly from one Member State to another, and given that the activities of micro-entities have no bearing on cross-border trade or the functioning of the internal market, the Member States should take into account the differing impact of those values when implementing this Directive at national level.***
- (10) ***Whilst it is imperative to ensure transparency also for micro-entities, in order to ensure that they are open and have access to the financial markets, Member States should take into account the specific conditions and needs of their own market when implementing Directive 78/660/EEC.***
- (11) Since the objective of this Directive, namely to reduce the administrative burden for micro-entities, cannot be sufficiently achieved by the Member States, and can therefore by reason of its effect be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.
- (12) Directive 78/660/EEC should therefore be amended accordingly,

HAVE ADOPTED THIS DIRECTIVE:

Article 1

Amendment to Directive 78/660/EEC

In Directive 78/660/EEC the following Article is inserted:

'Article 1a

1. ***Whilst maintaining the obligation to keep records showing the company's business transactions and financial situation***, Member States may provide for an exemption from the obligations under this Directive for companies which on their balance-sheet dates do not exceed the limits of two of the three following criteria:

- (a) balance sheet total: EUR 500 000;
- (b) net turnover: EUR 1 000 000;
- (c) average number of employees during the financial year: 10.

2. Where on its balance-sheet date a company exceeds the limits of two of the three criteria set out in paragraph 1 in two consecutive financial years, that company may no longer benefit from the exemption referred to in that paragraph.

⁽¹⁾ OJ C 45 E, 23.2.2010, p. 58.

Wednesday 10 March 2010

Where on its balance-sheet date a company has ceased to exceed the limits of two of the three criteria set out in paragraph 1, it may benefit from the exemption referred to in that paragraph, provided that it has not exceeded those limits in two consecutive financial years.

3. In the case of those Member States which have not adopted the euro, the amount in national currency equivalent to the amounts specified in paragraph 1 shall be that obtained by applying the exchange rate published in the *Official Journal of the European Union* on the date of the entry into force of any Directive setting those amounts.

4. The balance-sheet total referred to in point (a) of paragraph 1 shall consist either of the assets referred to in points A to E under "Assets" in Article 9 or the assets referred to in points A to E in Article 10.1.

Article 2

Transposition

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive if and when they decide to make use of the option provided for in Article 1a of Directive 78/660/EEC, **taking account in particular of the situation at national level regarding the number of businesses covered under the threshold values laid down in that Article**. They shall forthwith communicate to the Commission the text of those provisions and a correlation table between those provisions and this Directive.

When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 3

Entry into force

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

Article 4

Addressees

This Directive is addressed to the Member States.

Done at,

For the European Parliament
The President

For the Council
The President
