

# Comparison Table

The purpose of this document is to highlight the changes between the Accounting Directive of 26 June 2013 and those directives that it replaced - the 4<sup>th</sup> Accounting Directive (single company accounts) and 7<sup>th</sup> Accounting Directive (consolidated accounts).

## Legend

The document is formatted to follow the order of the Articles as contained in the 4th and then the 7th Directives, respectively.

<u>Content</u>	<u>Examples</u>	<u>Explanation</u>
Normal text in Arial 10 font	“The coordination measures..”	The text contained in the Directives and the text in common between the Directives when two are compared
Text scored through with a line in Arial 10 font	“ <del>The coordination measures prescribed by this...</del> ”	Text extant in either the 4 <sup>th</sup> or 7 <sup>th</sup> Directive deleted in the 2013 Directive
Text underlined in Tahoma 10 font	“ <u>Annex II, where all of the direct or indirect members.</u> ”	New text added in the 2013 Directive
Abbreviation	“4 <sup>th</sup> ”	Refers to the 4 <sup>th</sup> Council Directive of 25/07/1978 (78/660/EEC) in respect of single company accounts
Abbreviation	“7 <sup>th</sup> ”	Refers to the 7 <sup>th</sup> Council Directive of 13/06/1983 (83/349/EEC) in respect of consolidated accounts

This document has been prepared by FEE to the best of its knowledge and ability to ensure that it is accurate and complete. FEE will not be held liable for any loss or damage arising from any inaccuracies or omissions within this document

	Content	Examples	Explanation
	Directive 78/660/EEC (4 <sup>th</sup> Directive) Directive 83/349/EEC (7 <sup>th</sup> Directive)	OJ L182/19 published on 29 June 2013	<u>Directive 78/660/EEC</u> <u>Directive 83/349/EEC</u> <u>OJ L182/19 published on 29 June 2013</u>
	Directive 78/660/EEC (4 <sup>th</sup> Directive)	CHAPTER 1 SCOPE, DEFINITIONS AND CATEGORIES OF UNDERTAKINGS	<u>Directive 78/660/EEC</u> <u>CHAPTER 1</u> <u>SCOPE, DEFINITIONS AND CATEGORIES OF</u> <u>UNDERTAKINGS</u>
4 <sup>th</sup>	Article 1  1. The coordination measures prescribed by this Directive shall apply to the laws, regulations and administrative provisions of the Member States relating to the following types of companies:	Article 1 (1) Scope  1. The coordination measures prescribed by this Directive shall apply to the laws, regulations and administrative provisions of the Member States relating to the types of undertakings listed: (a) in Annex I;	Article 1 (1) <u>Scope</u>  1. The coordination measures prescribed by this Directive shall apply to the laws, regulations and administrative provisions of the Member States relating to the <del>following</del> types of <del>companies</del> : <u>undertakings listed</u> : <u>(a) in Annex I</u> ;
4 <sup>th</sup>	The coordination measures prescribed by this Directive shall also apply to the Member States' laws, regulations and administrative provisions relating to the following types of company:	(b) in Annex II, where all of the direct or indirect members of the undertaking having otherwise unlimited liability in fact have limited liability by reason of those members being undertakings which are: (i) of the types listed in Annex I; or (ii) not governed by the law of a Member State but which have a legal form comparable to those listed in Annex I.	<del>The coordination measures prescribed by this Directive shall also apply to the Member States' laws, regulations and administrative provisions relating to the following types of company:</del> <u>(b) in Annex II, where all of the direct or indirect members of the undertaking having otherwise unlimited liability in fact have limited liability by reason of those members being undertakings which are:</u> <u>(i) of the types listed in Annex I; or</u> <u>(ii) not governed by the law of a Member State but which have a legal form comparable to those listed in Annex I.</u>
4 <sup>th</sup>		Article 1 (2)  2. Member States shall inform the Commission within a reasonable period of time of changes in the types of undertakings in their national law that may affect the accuracy of Annex I or Annex II. In such a case, the Commission shall be empowered to adapt, by means of delegated acts in accordance with Article 49, the lists of	<u>Article 1 (2)</u>  <u>2. Member States shall inform the Commission within a reasonable period of time of changes in the types of undertakings in their national law that may affect the accuracy of Annex I or Annex II. In such a case, the Commission shall be empowered to adapt, by means of delegated acts in accordance with Article 49, the lists of</u>

	Content	Examples	Explanation
		undertakings contained in Annexes I and II.	<a href="#">undertakings contained in Annexes I and II.</a>
	<p>where all members having unlimited liability are companies of the types set out in the first subparagraph or companies which are not governed by the laws of a Member State but which have a legal form comparable to those referred to in Directive 68/151/EEC.</p> <p>This Directive shall also apply to the types of companies or firms referred to in the second subparagraph where all members having unlimited liability are themselves companies of the types set out in that or the first subparagraph.</p>	/	<p><del>where all members having unlimited liability are companies of the types set out in the first subparagraph or companies which are not governed by the laws of a Member State but which have a legal form comparable to those referred to in Directive 68/151/EEC.</del></p> <p><del>This Directive shall also apply to the types of companies or firms referred to in the second subparagraph where all members having unlimited liability are themselves companies of the types set out in that or the first subparagraph./</del></p>
4 <sup>th</sup>	2. Pending subsequent coordination, the Member States need not apply the provisions of this Directive to banks and other financial institutions or to insurance companies.	/	2. Pending subsequent coordination, the Member States need not apply the provisions of this Directive to banks and other financial institutions or to insurance companies./
		<p>Article 2 (point 1), (9), (11), (13)</p> <p>Definitions</p> <p>For the purposes of this Directive, the following definitions shall apply:</p> <p>(1) "public-interest entities" means undertakings within the scope of Article 1 which are:</p> <p>(a) governed by the law of a Member State and whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments [12];</p> <p>(b) credit institutions as defined in point (1) of Article 4 of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions [13], other than those referred to in Article 2 of that Directive;</p> <p>(c) insurance undertakings within the meaning of Article 2(1) of Council Directive 91/674/EEC of</p>	<p><a href="#">Article 2 (point 1), (9), (11), (13)</a></p> <p><a href="#">Definitions</a></p> <p><a href="#">For the purposes of this Directive, the following definitions shall apply:</a></p> <p><a href="#">(1) "public-interest entities" means undertakings within the scope of Article 1 which are:</a></p> <p><a href="#">(a) governed by the law of a Member State and whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments [12];</a></p> <p><a href="#">(b) credit institutions as defined in point (1) of Article 4 of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions [13], other than those referred to in Article 2 of that Directive;</a></p> <p><a href="#">(c) insurance undertakings within the meaning of Article 2(1) of Council Directive 91/674/EEC of</a></p>

	Content	Examples	Explanation
		<p>19 December 1991 on the annual accounts of insurance undertakings [14]; or</p> <p>(d) designated by Member States as public-interest entities, for instance undertakings that are of significant public relevance because of the nature of their business, their size or the number of their employees;</p> <p>(9) "parent undertaking" means an undertaking which controls one or more subsidiary undertakings;</p> <p>(11) "group" means a parent undertaking and all its subsidiary undertakings;</p> <p>(13) "associated undertaking" means an undertaking in which another undertaking has a participating interest, and over whose operating and financial policies that other undertaking exercises significant influence. An undertaking is presumed to exercise a significant influence over another undertaking where it has 20 % or more of the shareholders' or members' voting rights in that other undertaking;</p>	<p><u>19 December 1991 on the annual accounts of insurance undertakings [14]; or</u></p> <p><u>(d) designated by Member States as public-interest entities, for instance undertakings that are of significant public relevance because of the nature of their business, their size or the number of their employees;</u></p> <p><u>(9) "parent undertaking" means an undertaking which controls one or more subsidiary undertakings;</u></p> <p><u>(11) "group" means a parent undertaking and all its subsidiary undertakings;</u></p> <p><u>(13) "associated undertaking" means an undertaking in which another undertaking has a participating interest, and over whose operating and financial policies that other undertaking exercises significant influence. An undertaking is presumed to exercise a significant influence over another undertaking where it has 20 % or more of the shareholders' or members' voting rights in that other undertaking;</u></p>
	<p><b>SECTION 1</b> <b>General provisions</b></p>	<p><b>CHAPTER 2</b> <b>GENERAL PROVISIONS AND PRINCIPLES</b></p>	<p><b>SECTION 4</b> <b>CHAPTER 2</b> <b>GENERAL PROVISIONS AND PRINCIPLES</b> <small>General provisions</small></p>
4 <sup>th</sup>	<p style="text-align: center;"><i>Article 2</i></p> <p>1. The annual accounts shall comprise the balance sheet, the profit and loss account and the notes on the accounts. These documents shall constitute a composite whole.</p> <p>Member States may permit or require the inclusion of other statements in the annual accounts in addition to the documents referred to in the first subparagraph.</p>	<p style="text-align: center;">Article 4 General provisions</p> <p>1. The annual financial statements shall constitute a composite whole and shall for all undertakings comprise, as a minimum, the balance sheet, the profit and loss account and the notes to the financial statements.</p> <p>Member States may require undertakings other than small undertakings to include other statements in the annual financial statements in addition to the documents referred to in the first subparagraph.</p>	<p style="text-align: center;">Article <u>24</u></p> <p style="text-align: center;"><u>General provisions</u></p> <p>1. The annual <del>accounts shall</del> <u>financial statements shall constitute a composite whole and shall for all undertakings comprise, as a minimum,</u> the balance sheet, the profit and loss account and the notes <del>on the accounts. These documents shall constitute a composite whole to</del> <u>the financial statements.</u></p> <p>Member States may <del>permit or require the inclusion of</del> <u>undertakings other than small</u></p>

	Content	Examples	Explanation
			<u>undertakings to include</u> other statements in the annual <del>accounts</del> <u>financial statements</u> in addition to the documents referred to in the first subparagraph.
4 <sup>th</sup>	2. They shall be drawn up clearly and in accordance with the provisions of this Directive.	2. The annual financial statements shall be drawn up clearly and in accordance with the provisions of this Directive.	2. <del>They</del> <u>The annual financial statements</u> shall be drawn up clearly and in accordance with the provisions of this Directive.
4 <sup>th</sup>	3. The annual accounts shall give a true and fair view of the company's assets, liabilities, financial position and profit or loss.	3. The annual financial statements shall give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. Where the application of this Directive would not be sufficient to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss, such additional information as is necessary to comply with that requirement shall be given in the notes to the financial statements.	3. The annual <del>accounts</del> <u>financial statements</u> shall give a true and fair view of the <del>company's</del> <u>undertaking's</u> assets, liabilities, financial position and profit or loss. <u>Where the application of this Directive would not be sufficient to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss, such additional information as is necessary to comply with that requirement shall be given in the notes to the financial statements.</u>
		Article 9, Introductory wording & (4) General provisions concerning the balance sheet and the profit and loss account 4. By way of derogation from paragraphs 2 and 3 of this Article, Member States may limit the undertaking's ability to depart from the layouts set out in Annexes III to VI to the extent that this is necessary in order for the financial statements to be filed electronically.	<u>Article 9, Introductory wording &amp; (4)</u> <u>General provisions concerning the balance sheet and the profit and loss account</u> <u>4. By way of derogation from paragraphs 2 and 3 of this Article, Member States may limit the undertaking's ability to depart from the layouts set out in Annexes III to VI to the extent that this is necessary in order for the financial statements to be filed electronically.</u>
4 <sup>th</sup>	4. Where the application of the provision of this Directive would not be sufficient to give a true and fair view within the meaning of paragraph 3, additional information must be given.	General provisions 3. The annual financial statements shall give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. Where the application of this Directive would not be sufficient to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss, such additional information as	<u>General provisions</u> <u>4-</u> <u>3. The annual financial statements shall give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss.</u> Where the application of <del>the provision of</del> this Directive would not be sufficient to give a true and fair view <del>within</del> <u>of</u> the <del>meaning of paragraph 3-</del> <u>undertaking's assets, liabilities, financial</u>

	Content	Examples	Explanation
		is necessary to comply with that requirement shall be given in the notes to the financial statements.	<u>position and profit or loss, such additional information <del>must</del> as is necessary to comply with that requirement shall be given- in the notes to the financial statements.</u>
4 <sup>th</sup>	5. Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, that provision must be departed from in order to give a true and fair view within the meaning of paragraph 3. Any such departure must be disclosed in the notes on the accounts together with an explanation of the reasons for it and a statement of its effect on the assets, liabilities, financial position and profit or loss. The Member States may define the exceptional cases in question and lay down the relevant special rules.	4. Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, that provision shall be disapplied in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. The disapplication of any such provision shall be disclosed in the notes to the financial statements together with an explanation of the reasons for it and of its effect on the undertaking's assets, liabilities, financial position and profit or loss. The Member States may define the exceptional cases in question and lay down the relevant special rules which are to apply in those cases.	<del>54.</del> Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, that provision <del>must</del> shall be <del>departed from</del> disapplied in order to give a true and fair view <del>within of</del> the <del>meaning of paragraph 3.</del> Any <del>undertaking's</del> assets, liabilities, financial position and profit or loss. The disapplication of any such <del>departure</del> <del>must</del> provision shall be disclosed in the notes <del>on to</del> the <del>accounts</del> financial statements together with an explanation of the reasons for it and <del>a</del> <del>statement</del> of its effect on the <del>undertaking's</del> assets, liabilities, financial position and profit or loss. The Member States may define the exceptional cases in question and lay down the relevant special rules- <u>which are to apply in those cases.</u>
4 <sup>th</sup>	6. The Member States may authorize or require the disclosure in the annual accounts of other information as well as that which must be disclosed in accordance with this Directive	5. Member States may require undertakings other than small undertakings to disclose information in their annual financial statements which is additional to that required pursuant to this Directive.	<del>6.</del> The <del>5.</del> Member States may <del>authorize or</del> require <del>the disclosure in the annual accounts</del> of <del>undertakings</del> other <del>than small undertakings to</del> <del>disclose</del> information <del>as well as in their annual financial statements which is additional to</del> that <del>which must be disclosed in accordance with</del> <u>required pursuant to</u> this Directive.
4 <sup>th</sup>	<b>SECTION 2</b> <b>General provisions concerning the balance sheet and the profit and loss account</b>	<b>CHAPTER 3</b> <b>BALANCE SHEET AND PROFIT AND LOSS ACCOUNT</b>	<b>SECTION 2</b> <b>CHAPTER 3</b> <b>BALANCE SHEET AND PROFIT AND LOSS ACCOUNT</b> <del>General provisions concerning the balance sheet and the profit and loss account</del>
4 <sup>th</sup>	<i>Article 3</i> The layout of the balance sheet and of the profit and loss account, particularly as regards the form adopted for their presentation, may not be changed	Article 9 General provisions concerning the balance sheet and the profit and loss account	Article <del>39</del> <u>General provisions concerning the balance sheet and the profit and loss account</u>

	Content	Examples	Explanation
	from one financial year to the next. Departures from this principle shall be permitted in exceptional cases. Any such departure must be disclosed in the notes on the accounts together with an explanation of the reasons therefor.	1. The layout of the balance sheet and of the profit and loss account shall not be changed from one financial year to the next. Departures from that principle shall, however, be permitted in exceptional cases in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. Any such departure and the reasons therefor shall be disclosed in the notes to the financial statements.	<del>1.</del> The layout of the balance sheet and of the profit and loss account, <del>particularly as regards the form adopted for their presentation, may</del> shall not be changed from one financial year to the next. Departures from <del>this</del> that principle shall, <del>however,</del> however, be permitted in exceptional cases <del>in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss.</del> Any such departure <del>must</del> and the reasons therefor shall be disclosed in the notes <del>on the accounts together with an explanation of the reasons therefor.</del> to the financial statements.
4 <sup>th</sup>	<i>Article 4</i> 1. In the balance sheet and in the profit and loss account the items prescribed in Articles 9, 10 and 23 to 26 must be shown separately in the order indicated. A more detailed subdivision of the items shall be authorized provided that the layouts are complied with. New items may be added provided that their contents are not covered by any of the items prescribed by the layouts. Such subdivision or new items may be required by the Member States.	2. In the balance sheet and in the profit and loss account the items set out in Annexes III to VI shall be shown separately in the order indicated. Member States shall permit a more detailed subdivision of those items, subject to adherence to the prescribed layouts. Member States shall permit the addition of subtotals and of new items, provided that the contents of such new items are not covered by any of the items in the prescribed layouts. Member States may require such subdivision or subtotals or new items.	<i>Article 4</i> <del>2.</del> In the balance sheet and in the profit and loss account the items <del>prescribed set out in Articles 9, 10 and 23</del> Annexes III to <del>26</del> mustVI shall be shown separately in the order indicated. <del>A</del> Member States shall permit a more detailed subdivision of <del>the</del> those items <del>shall be authorized, subject to adherence to the prescribed layouts.</del> Member States shall permit the addition of subtotals and of new items, provided that the <del>layouts are complied with.</del> New items may be added provided that their contents <del>of such new items</del> are not covered by any of the items <del>in the prescribed by the</del> layouts. <del>Such</del> Member States may require such subdivision or <del>subtotals or</del> new items may be required by the Member States.
4 <sup>th</sup>	2. The layout, nomenclature and terminology of items in the balance sheet and profit and loss account that are preceded by Arabic numerals must be adapted where the special nature of an undertaking so requires. Such adaptations may be required by the Member States of undertakings forming part of a particular economic sector.	3. The layout, nomenclature and terminology of items in the balance sheet and profit and loss account that are preceded by arabic numerals shall be adapted where the special nature of an undertaking so requires. Member States may require such adaptations for undertakings which form part of a particular economic sector.  Member States may permit or require balance sheet and profit and loss account items that are preceded by arabic numerals to be combined where they are immaterial in amount for the	<del>2.</del> 3. The layout, nomenclature and terminology of items in the balance sheet and profit and loss account that are preceded by <del>Arabic</del> arabic numerals <del>must</del> shall be adapted where the special nature of an undertaking so requires. <del>Such adaptations may be required by the Member States of</del> undertakings <del>forming which form</del> part of a particular economic sector.  Member States may permit or require balance sheet and profit and loss account items that are

	Content	Examples	Explanation
		<p>purposes of giving a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss or where such combination makes for greater clarity, provided that the items so combined are dealt with separately in the notes to the financial statements.</p>	<p><u>preceded by arabic numerals to be combined where they are immaterial in amount for the purposes of giving a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss or where such combination makes for greater clarity, provided that the items so combined are dealt with separately in the notes to the financial statements.</u></p>
4 <sup>th</sup>	<p>3. The balance sheet and profit and loss account items that are preceded by Arabic numerals may be, combined where:</p> <p>(a) they are immaterial in amount for the purposes of Article 2 (3); or</p> <p>(b) such combination makes for greater clarity, provided that the items so combined are dealt with separately in the notes on the accounts. Such combination may be required by the Member States.</p>	<p>3. The layout, nomenclature and terminology of items in the balance sheet and profit and loss account that are preceded by arabic numerals shall be adapted where the special nature of an undertaking so requires. Member States may require such adaptations for undertakings which form part of a particular economic sector.</p> <p>Member States may permit or require balance sheet and profit and loss account items that are preceded by arabic numerals to be combined where they are immaterial in amount for the purposes of giving a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss or where such combination makes for greater clarity, provided that the items so combined are dealt with separately in the notes to the financial statements.</p>	<p>3. <del>The</del><u>The layout, nomenclature and terminology of items in the</u> balance sheet and profit and loss account <del>items</del> that are preceded by <del>Arabic</del><u>arabic</u> numerals <u>shall be adapted where the special nature of an undertaking so requires. Member States may be, require such adaptations for undertakings which form part of a particular economic sector.</u></p> <p><u>Member States may permit or require balance sheet and profit and loss account items that are preceded by arabic numerals to be</u> combined where:</p> <p><del>(a)</del> they are immaterial in amount for the purposes of <del>Article 2 (3); or</del></p> <p><del>(b)</del><u>giving a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss or where</u> such combination makes for greater clarity, provided that the items so combined are dealt with separately in the notes <del>on the accounts. Such combination may be required by the Member States to the</del> <u>financial statements.</u></p>
4 <sup>th</sup>	<p>4. In respect of each balance sheet and profit and loss account item the figure relating to the corresponding item for the preceding financial year must be shown. The Member States may provide that, where these figures are not comparable, the figure for the preceding financial year must be adjusted. In any case, non-comparability and any adjustment of the figures must be disclosed in the notes on the accounts, with relevant comments.</p>	<p>5. In respect of each balance sheet and profit and loss account item, the figure for the financial year to which the balance sheet and the profit and loss account relate and the figure relating to the corresponding item for the preceding financial year shall be shown. Where those figures are not comparable, Member States may require the figure for the preceding financial year</p>	<p>4<u>5</u>. In respect of each balance sheet and profit and loss account item, <u>the figure for the financial year to which the balance sheet and the profit and loss account relate and</u> the figure relating to the corresponding item for the preceding financial year <del>must</del><u>shall</u> be shown. <del>The Member States may provide that, where these</del><u>Where</u> those figures are not comparable, <u>Member</u></p>



	Content	Examples	Explanation
		to be adjusted. Any case of non-comparability or any adjustment of the figures shall be disclosed, with explanations, in the notes to the financial statements.	<u>States may require</u> the figure for the preceding financial year <del>must</del> to be adjusted. <del>In any</del> Any case, <del>of</del> non-comparability <del>and/or</del> any adjustment of the figures <del>must</del> <u>shall</u> be disclosed, <u>with explanations</u> , in the notes <del>on the accounts, with relevant comments</del> <u>to the financial statements</u> .
4 <sup>th</sup>	5. Save where there is a corresponding item for the preceding financial year within the meaning of paragraph 4, a balance sheet or profit and loss account item for which there is no amount shall not be shown.	/	<del>5. Save where there is a corresponding item for the preceding financial year within the meaning of paragraph 4, a balance sheet or profit and loss account item for which there is no amount shall not be shown./</del>
4 <sup>th</sup>	6. Member States may permit or require the presentation of amounts within items in the profit and loss account and balance sheet to have regard to the substance of the reported transaction or arrangement. Such permission or requirement may be restricted to certain classes of company and/or to consolidated accounts as defined in the Seventh Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts <sup>(1)</sup> .	Article 6 (1), (3) General financial reporting principles 1. Items presented in the annual and consolidated financial statements shall be recognised and measured in accordance with the following general principles: (h) items in the profit and loss account and balance sheet shall be accounted for and presented having regard to the substance of the transaction or arrangement concerned; 3. Member States may exempt undertakings from the requirements of point (h) of paragraph 1	<del>Article 6.</del> <u>Member States may permit or require the presentation of amounts within (1), (3)</u> <u>General financial reporting principles</u> <u>1. Items presented in the annual and consolidated financial statements shall be recognised and measured in accordance with the following general principles:</u> <u>(h) items in the profit and loss account and balance sheet to have</u> <u>shall be accounted for and presented having</u> regard to the substance of the <del>reported</del> transaction or arrangement. <del>Such permission or requirement may be restricted to certain classes concerned;</del> <u>3. Member States may exempt undertakings from the requirements of point (h) of company and/or to consolidated accounts as defined in the Seventh Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts <sup>(2)</sup>;</u> <u>paragraph 1</u>
4 <sup>th</sup>	<i>Article 5</i> 1. By way of derogation from Article 4(1) and (2), Member States may prescribe special layouts for the annual accounts of investment companies and of financial holding companies provided that those layouts give a view of these companies equivalent to that provided for in Article 2(3). Member States shall	Article 2 (14) & (15) Definitions (14) "investment undertakings" means: (a) undertakings the sole object of which is to invest their funds in various securities, real	<del>Article 5</del> <u>1. By way of derogation from Article 4(1) and (2), Member States may prescribe special layouts for the annual accounts of investment companies and of financial holding companies provided that those layouts give a view of these companies</u>

<sup>1</sup> OJ L 193, 18.7.1983, p. 1. Directive as last amended by Directive 2001/65/EC of the European Parliament and of the Council (OJ L 283, 27.10.2001, p. 28).

<sup>2</sup> ~~OJ L 193, 18.7.1983, p. 1. Directive as last amended by Directive 2001/65/EC of the European Parliament and of the Council (OJ L 283, 27.10.2001, p. 28).~~

	Content	Examples	Explanation
	<p>not make available the exemptions set out in Article 1a in respect of investment companies or financial holding companies.</p> <p>2. For the purposes of this Directive, 'investment companies' shall mean only:</p> <p>(a) those companies the sole object of which is to invest their funds in various securities, real property and other assets with the sole aim of spreading investment risks and giving their shareholders the benefit of the results of the management of their assets;</p> <p>(b) those companies associated with investment companies with fixed capital if the sole object of the companies so associated is to acquire fully paid shares issued by those investment companies without prejudice to the provisions of Article 20 (1) (h) of Directive 77/91/EEC <sup>(3)</sup>.</p> <p>3. For the purposes of this Directive, 'financial holding companies' shall mean only those companies the sole object of which is to acquire holdings in other undertakings, and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, the foregoing without prejudice to their rights as shareholders. The limitations imposed on the activities of these companies must be such that compliance with them can be supervised by an administrative or judicial authority.</p>	<p>property and other assets, with the sole aim of spreading investment risks and giving their shareholders the benefit of the results of the management of their assets,</p> <p>(b) undertakings associated with investment undertakings with fixed capital, if the sole object of those associated undertakings is to acquire fully paid shares issued by those investment undertakings without prejudice to point (h) of Article 22(1) of Directive 2012/30/EU;</p> <p>(15) "financial holding undertakings" means undertakings the sole object of which is to acquire holdings in other undertakings and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, without prejudice to their rights as shareholders;</p>	<p><del>equivalent to that provided for in Article 2(3). Member States shall not make available the exemptions set out in Article 1a in respect of investment companies or financial holding companies. (14) &amp; (15)</del></p> <p><del>2. For the purposes of this Directive, 'investment companies' shall mean only:</del></p> <p><u>Definitions</u></p> <p><u>(14) "investment undertakings" means:</u></p> <p>(a) <del>those companies</del><u>undertakings</u> the sole object of which is to invest their funds in various securities, real property and other assets, with the sole aim of spreading investment risks and giving their shareholders the benefit of the results of the management of their assets;<del>;</del></p> <p>(b) <del>those companies</del><u>undertakings</u> associated with investment <del>companies</del><u>undertakings</u> with fixed capital, if the sole object of <del>the companies</del> <del>so those</del> associated <u>undertakings</u> is to acquire fully paid shares issued by those investment <del>companies</del><u>undertakings</u> without prejudice to <del>the provisions</del><u>point (h)</u> of Article <del>20-22</del><u>22</u>(1) <del>(h)</del> of Directive <del>77/91/EEC</del> <del>(<sup>4</sup>)</del><u>2012/30/EU</u>;</p> <p><del>3. For the purposes of this Directive, '(15) "financial holding companies' shall mean only those companies</del><u>undertakings" means</u> <u>undertakings</u> the sole object of which is to acquire holdings in other undertakings, and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, <del>the foregoing</del> without prejudice to their rights as shareholders. <del>The limitations imposed on the activities of these companies must be such that</del></p>

<sup>3</sup> OJ No L 26, 31. 1. 1977, p. 1

~~<sup>4</sup> OJ No L 26, 31. 1. 1977, p. 1~~

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
			<del>compliance with them can be supervised by an administrative or judicial authority.</del>
4 <sup>th</sup>	<p><i>Article 6</i></p> <p>The Member States may authorize or require adaptation of the layout of the balance sheet and profit and loss account in order to include the appropriation of profit or the treatment of loss.</p>	<p>Article 9 (6)</p> <p>General provisions concerning the balance sheet and the profit and loss account</p> <p>6. Member States may permit or require adaptation of the layout of the balance sheet and profit and loss account in order to include the appropriation of profit or the treatment of loss.</p>	<p>Article 9 (6)</p> <p><u>The General provisions concerning the balance sheet and the profit and loss account</u></p> <p>6. Member States may <del>authorize</del><u>permit</u> or require adaptation of the layout of the balance sheet and profit and loss account in order to include the appropriation of profit or the treatment of loss.</p>
4 <sup>th</sup>	<p><i>Article 7</i></p> <p>Any set-off between asset and liability items, or between income and expenditure items, shall be prohibited.</p>	<p>Article 6 (1), point (g)</p> <p>General financial reporting principles</p> <p>g) any set-off between asset and liability items, or between income and expenditure items, shall be prohibited;</p>	<p>Article <del>7</del><u>6</u> (1), point (g)</p> <p><u>Any General financial reporting principles</u></p> <p><u>g) any</u> set-off between asset and liability items, or between income and expenditure items, shall be prohibited.</p>
4 <sup>th</sup>	<p><b>SECTION 3</b></p> <p><b>Layout of the balance sheet</b></p>		<p><b>SECTION 3</b></p> <p><u>Layout of the balance sheet</u></p>
4 <sup>th</sup>	<p><i>Article 8</i></p> <p>For the presentation of the balance sheet, the Member States shall prescribe one or both of the layouts prescribed by Articles 9 and 10. If a Member State prescribes both, it may allow companies to choose between them.</p> <p>Member States may permit or require companies to adopt the presentation of the balance sheet set out in Article 10a as an alternative to the layouts otherwise prescribed or permitted</p>	<p>Article 10</p> <p>Presentation of the balance sheet</p> <p>For the presentation of the balance sheet, Member States shall prescribe one or both of the layouts set out in Annexes III and IV. If a Member State prescribes both layouts, it shall permit undertakings to choose which of the prescribed layouts to adopt.</p>	<p>Article <del>8</del><u>10</u></p> <p><u>Presentation of the balance sheet</u></p> <p>For the presentation of the balance sheet, <del>the</del> Member States shall prescribe one or both of the layouts <del>prescribed by Articles 9</del><u>set out in Annexes III and IV</u>. If a Member State prescribes both <del>layouts</del>, it <del>may allow companies</del><u>shall permit undertakings</u> to choose <del>between them</del>.</p> <p><del>Member States may permit or require companies which of the prescribed layouts to adopt the presentation of the balance sheet set out in Article 10a as an alternative to the layouts otherwise prescribed or permitted.</del></p>
	<p><i>Article 9</i></p> <p><b>Assets</b></p> <p><b>A. Subscribed capital unpaid</b></p>	<p>Article 9</p> <p>Layout of the balance sheet</p> <p><b>Assets</b></p> <p>Assets</p> <p>A. Subscribed capital unpaid</p>	<p>Article 9</p> <p><u>Layout of the balance sheet</u></p> <p><b>Assets</b></p> <p><u>Assets</u></p> <p>A. Subscribed capital unpaid</p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	of which there has been called (unless national law provides that called-up capital be shown under 'Liabilities'. In that case, the part of the capital called but not yet paid must appear as an asset either under A or under D (II) (5)).	of which there has been called (unless national law provides that called-up capital is to be shown under "Capital and reserves", in which case the part of the capital called but not yet paid shall appear as an asset either under A or under D (II) (5)).	of which there has been called (unless national law provides that called-up capital <u>is to</u> be shown under 'Liabilities'. <del>In that</del> "Capital and reserves", in which case, the part of the capital called but not yet paid <u>must</u> <del>shall</del> appear as an asset either under A or under D (II) (5)).
4 <sup>th</sup>	<b>B. Formation expenses</b> as defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under 'Intangible assets'.	B. Formation expenses as defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under "Intangible assets".	B. Formation expenses as defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under "'Intangible <del>assets</del> <u>assets</u> ".
4 <sup>th</sup>	<b>C. Fixed assets</b> I. <i>Intangible assets</i> 1. Costs of research and development, in so far as national law permits their being shown as assets. 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were: (a) acquired for valuable consideration and need not be shown under C (I) (3); or (b) created by the undertaking itself, in so far as national law permits their being shown as assets. 3. Goodwill, to the extent that it was acquired for valuable consideration. 4. Payments on account. II. <i>Tangible assets</i> 1. Land and buildings. 2. Plant and machinery. 3. Other fixtures and fittings, tools and equipment. 4. Payments on account and tangible assets in course of construction. III. <i>Financial assets</i> 1. Shares in affiliated undertakings.	C. Fixed assets I. Intangible assets 1. Costs of development, in so far as national law permits their being shown as assets. 2. Concessions, patents, licences, trademarks and similar rights and assets, if they were: (a) acquired for valuable consideration and need not be shown under C (I) (3); or (b) created by the undertaking itself, in so far as national law permits their being shown as assets. 3. Goodwill, to the extent that it was acquired for valuable consideration. 4. Payments on account. II. Tangible assets 1. Land and buildings. 2. Plant and machinery. 3. Other fixtures and fittings, tools and equipment. 4. Payments on account and tangible assets in the course of construction. III. Financial assets	C. Fixed assets I. Intangible assets 1. Costs of <del>research and</del> development, in so far as national law permits their being shown as assets. 2. Concessions, patents, licences, <del>trade mark</del> <u>trademarks</u> and similar rights and assets, if they were: (a) acquired for valuable consideration and need not be shown under C (I) (3); or (b) created by the undertaking itself, in so far as national law permits their being shown as assets. 3. Goodwill, to the extent that it was acquired for valuable consideration. 4. Payments on account. II. Tangible assets 1. Land and buildings. 2. Plant and machinery. 3. Other fixtures and fittings, tools and equipment. 4. Payments on account and tangible assets in

	Content	Examples	Explanation
	2. Loans to affiliated undertakings. 3. Participating interests. 4. Loans to undertakings with which the company is linked by virtue of participating interests. 5. Investments held as fixed assets. 6. Other loans. 7. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) to the extent that national law permits their being shown in the balance sheet.	1. Shares in affiliated undertakings. 2. Loans to affiliated undertakings. 3. Participating interests. 4. Loans to undertakings with which the undertaking is linked by virtue of participating interests. 5. Investments held as fixed assets. 6. Other loans.	<del>the</del> course of construction. III. Financial assets 1. Shares in affiliated undertakings. 2. Loans to affiliated undertakings. 3. Participating interests. 4. Loans to undertakings with which the <del>company</del> undertaking is linked by virtue of participating interests. 5. Investments held as fixed assets. 6. Other loans. <del>7. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) to the extent that national law permits their being shown in the balance sheet.</del>
4th	<b>D. Current assets</b> <b>I. Stocks</b> 1. Raw materials and consumables. 2. Work in progress. 3. Finished goods and goods for resale. 4. Payments on account. <b>II. Debtors</b> (Amounts becoming due and payable after more than one year must be shown separately for each item.) 1. Trade debtors. 2. Amounts owed by affiliated undertakings. 3. Amounts owed by undertakings with which the company is linked by virtue of participating interests. 4. Other debtors. 5. Subscribed capital called but not paid (unless national law provides that called-up capital be shown as an asset under A). 6. Prepayments and accrued income (unless national law provides for such items to be shown as an asset under E). <b>III. Investments</b>	D. Current assets <b>I. Stocks</b> 1. Raw materials and consumables. 2. Work in progress. 3. Finished goods and goods for resale. 4. Payments on account. <b>II. Debtors</b> (Amounts becoming due and payable after more than one year shall be shown separately for each item.) 1. Trade debtors. 2. Amounts owed by affiliated undertakings. 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests. 4. Other debtors. 5. Subscribed capital called but not paid (unless national law provides that called-up capital is to be shown as an asset under A). 6. Prepayments and accrued income (unless national law provides that such items are to be	D. Current assets <b>I. Stocks</b> 1. Raw materials and consumables. 2. Work in progress. 3. Finished goods and goods for resale. 4. Payments on account. <b>II. Debtors</b> (Amounts becoming due and payable after more than one year <del>must</del> shall be shown separately for each item.) 1. Trade debtors. 2. Amounts owed by affiliated undertakings. 3. Amounts owed by undertakings with which the <del>company</del> undertaking is linked by virtue of participating interests. 4. Other debtors. 5. Subscribed capital called but not paid (unless national law provides that called-up capital <del>is to</del> be shown as an asset under A). 6. Prepayments and accrued income (unless national law provides <del>for that</del> such items <del>are to</del>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	<p>1. Shares in affiliated undertakings.</p> <p>2. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) to the extent that national law permits their being shown in the balance sheet.</p> <p>3. Other investments.</p> <p>IV. <i>Cash at bank and in hand</i></p>	<p>shown as assets under E).</p> <p>III. Investments</p> <p>1. Shares in affiliated undertakings.</p> <p>2. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value), to the extent that national law permits their being shown in the balance sheet.</p> <p>3. Other investments.</p> <p>IV. Cash at bank and in hand</p>	<p>be shown as <del>an asset</del><u>assets</u> under E).</p> <p>III. Investments</p> <p>1. Shares in affiliated undertakings.</p> <p>2. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value)<u>),</u> to the extent that national law permits their being shown in the balance sheet.</p> <p>3. Other investments.</p> <p>IV. Cash at bank and in hand</p>
4th	<p><b>E. Prepayments and accrued income</b> (unless national law provides for such items to be shown as an asset under D (II) (6)).</p>	<p>E. Prepayments and accrued income (Unless national law provides that such items are to be shown as assets under D (II) (6).) Capital, reserves and liabilities</p> <p>A. Capital and reserves</p> <p>I. Subscribed capital (Unless national law provides that called-up capital is to be shown under this item, in which case the amounts of subscribed capital and paid-up capital shall be shown separately.)</p> <p>II. Share premium account</p> <p>III. Revaluation reserve</p> <p>IV. Reserves</p> <p>1. Legal reserve, in so far as national law requires such a reserve.</p> <p>2. Reserve for own shares, in so far as national law requires such a reserve, without prejudice to point (b) of Article 24(1) of Directive 2012/30/EU.</p> <p>3. Reserves provided for by the articles of association.</p> <p>4. Other reserves, including the fair value reserve.</p> <p>V. Profit or loss brought forward</p>	<p>E. Prepayments and accrued income (<del>unless</del><u>Unless</u> national law provides <del>for that</del> such items <u>are</u> to be shown as <del>an asset</del><u>assets</u> under D (II) (6).) <u>Capital, reserves and liabilities</u></p> <p><u>A. Capital and reserves</u></p> <p><u>I. Subscribed capital</u> (<u>Unless national law provides that called-up capital is to be shown under this item, in which case the amounts of subscribed capital and paid-up capital shall be shown separately.</u>)</p> <p><u>II. Share premium account</u></p> <p><u>III. Revaluation reserve</u></p> <p><u>IV. Reserves</u></p> <p><u>1. Legal reserve, in so far as national law requires such a reserve.</u></p> <p><u>2. Reserve for own shares, in so far as national law requires such a reserve, without prejudice to point (b) of Article 24(1) of Directive 2012/30/EU.</u></p> <p><u>3. Reserves provided for by the articles of association.</u></p> <p><u>4. Other reserves, including the fair value reserve.</u></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
		<p>VI. Profit or loss for the financial year</p> <p>B. Provisions</p> <ol style="list-style-type: none"> <li>1. Provisions for pensions and similar obligations.</li> <li>2. Provisions for taxation.</li> <li>3. Other provisions.</li> </ol> <p>C. Creditors</p> <p>(Amounts becoming due and payable within one year and amounts becoming due and payable after more than one year shall be shown separately for each item and for the aggregate of those items.)</p> <ol style="list-style-type: none"> <li>1. Debenture loans, showing convertible loans separately.</li> <li>2. Amounts owed to credit institutions.</li> <li>3. Payments received on account of orders, in so far as they are not shown separately as deductions from stocks.</li> <li>4. Trade creditors.</li> <li>5. Bills of exchange payable.</li> <li>6. Amounts owed to affiliated undertakings.</li> <li>7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests.</li> <li>8. Other creditors, including tax and social security authorities.</li> <li>9. Accruals and deferred income (unless national law provides that such items are to be shown under D).</li> </ol> <p>D. Accruals and deferred income</p> <p>(Unless national law provides that such items are to be shown under C (9) under "Creditors".)</p>	<p><u><a href="#">V. Profit or loss brought forward</a></u></p> <p><u><a href="#">VI. Profit or loss for the financial year</a></u></p> <p><u><a href="#">B. Provisions</a></u></p> <ol style="list-style-type: none"> <li><u><a href="#">1. Provisions for pensions and similar obligations.</a></u></li> <li><u><a href="#">2. Provisions for taxation.</a></u></li> <li><u><a href="#">3. Other provisions.</a></u></li> </ol> <p><u><a href="#">C. Creditors</a></u></p> <p><u><a href="#">(Amounts becoming due and payable within one year and amounts becoming due and payable after more than one year shall be shown separately for each item and for the aggregate of those items.)</a></u></p> <ol style="list-style-type: none"> <li><u><a href="#">1. Debenture loans, showing convertible loans separately.</a></u></li> <li><u><a href="#">2. Amounts owed to credit institutions.</a></u></li> <li><u><a href="#">3. Payments received on account of orders, in so far as they are not shown separately as deductions from stocks.</a></u></li> <li><u><a href="#">4. Trade creditors.</a></u></li> <li><u><a href="#">5. Bills of exchange payable.}}</a></u></li> <li><u><a href="#">6. Amounts owed to affiliated undertakings.</a></u></li> <li><u><a href="#">7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests.</a></u></li> <li><u><a href="#">8. Other creditors, including tax and social security authorities.</a></u></li> <li><u><a href="#">9. Accruals and deferred income (unless national law provides that such items are to be shown under D).</a></u></li> </ol> <p><u><a href="#">D. Accruals and deferred income</a></u></p> <p><u><a href="#">(Unless national law provides that such items are to be shown under C (9) under "Creditors".)</a></u></p>
4th	<p><b>F. Loss for the financial year</b></p> <p>(unless national law provides for it to be shown under</p>	/	<p><del><b>F. Loss for the financial year</b></del></p> <p><del>(unless national law provides for it to be shown under</del></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	A (VI) under 'Liabilities').		<del>A (VI) under 'Liabilities').</del>
4 <sup>th</sup>	<p><b>Liabilities</b></p> <p><b>A. Capital and reserves</b></p> <p>I. <i>Subscribed capital</i> (unless national law provides for called-up capital to be shown under this item. In that case, the amounts of subscribed capital and paid-up capital must be shown separately).</p> <p>II. <i>Share premium account</i></p> <p>III. <i>Revaluation reserve</i></p> <p>IV. <i>Reserves</i></p> <p>1. Legal reserve, in so far as national law requires such a reserve.</p> <p>2. Reserve for own shares, in so far as national law requires such a reserve, without prejudice to Article 22 (1) (b) of Directive 77/91/EEC.</p> <p>3. Reserves provided for by the articles of association.</p> <p>4. Other reserves.</p> <p>V. <i>Profit or loss brought forward</i></p> <p>VI. <i>Profit or loss for the financial year</i> (unless national law requires that this item be shown under F under 'Assets' or under E under 'Liabilities').</p>	<p><b>Capital, reserves and liabilities</b></p> <p><b>A. Capital and reserves</b></p> <p>A. Subscribed capital unpaid of which there has been called (unless national law provides that called-up capital is to be shown under "Capital and reserves", in which case the part of the capital called but not yet paid shall appear as an asset either under A or under D (II) (5)).</p>	<p><del>Liabilities</del></p> <p><del>Capital, reserves and liabilities</del></p> <p><b>A. Capital and reserves</b></p> <p><del>↓A. Subscribed capital <u>unpaid of which there has been called</u></del> (unless national law provides <del>for that</del> called-up capital <u>is</u> to be shown under <del>this item. In that "Capital and reserves", in which</del> case, the <del>amounts</del><u>part</u> of <del>subscribed</del><u>the</u> capital <del>and called but not yet</del> paid-up capital must be shown separately).</p> <p><del>II. Share premium account</del></p> <p><del>III. Revaluation reserve</del></p> <p><del>IV. shall appear</del>Reserves</p> <p><del>1. Legal reserve, in so far as national law requires such a reserve.</del></p> <p><del>2. Reserve for own shares, in so far as national law requires such a reserve, without prejudice to Article 22 (1) (b) of Directive 77/91/EEC.</del></p> <p><del>3. Reserves provided for by the articles of association.</del></p> <p><del>4. Other reserves.</del></p> <p><del>an asset either</del>V. Profit or loss brought forward</p> <p><del>VI. Profit or loss for the financial year</del> (unless national law requires that this item be shown under <del>F</del>A or under 'Assets' or under E under 'Liabilities').<del>D (II) (5)).</del></p>
4 <sup>th</sup>	<p><b>B. Provisions</b></p> <p>1. Provisions for pensions and similar obligations.</p> <p>2. Provisions for taxation.</p> <p>3. Other provisions.</p>	<p><b>B Provisions</b></p> <p>As defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under "Intangible assets".</p>	<p><del>B. Provisions</del></p> <p><del>↓as defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under "Intangible assets".</del></p> <p><del>Provisions for pensions and similar obligations.</del></p> <p><del>2. Provisions for taxation.</del></p>



	Content	Examples	Explanation
			<del>3. Other provisions.</del>
4th	<p><b>C. Creditors</b> (Amounts becoming due and payable within one year and amounts becoming due and payable after more than one year must be shown separately for each item and for the aggregate of these items.)</p> <ol style="list-style-type: none"> <li>1. Debenture loans, showing convertible loans separately.</li> <li>2. Amounts owed to credit institutions.</li> <li>3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks.</li> <li>4. Trade creditors.</li> <li>5. Bills of exchange payable.</li> <li>6. Amounts owed to affiliated undertakings.</li> <li>7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.</li> <li>8. Other creditors including tax and social security.</li> <li>9. Accruals and deferred income (unless national law provides for such items to be shown under D under 'Liabilities').</li> </ol>	<p><b>C. Creditors</b></p> <ol style="list-style-type: none"> <li>I. Intangible assets <ol style="list-style-type: none"> <li>1. Costs of development, in so far as national law permits their being shown as assets.</li> <li>2. Concessions, patents, licences, trademarks and similar rights and assets, if they were: <ol style="list-style-type: none"> <li>(a) acquired for valuable consideration and need not be shown under C (I) (3); or</li> <li>(b) created by the undertaking itself, in so far as national law permits their being shown as assets.</li> </ol> </li> <li>3. Goodwill, to the extent that it was acquired for valuable consideration.</li> <li>4. Payments on account.</li> </ol> </li> <li>II. Tangible assets <ol style="list-style-type: none"> <li>1. Land and buildings.</li> <li>2. Plant and machinery.</li> <li>3. Other fixtures and fittings, tools and equipment.</li> <li>4. Payments on account and tangible assets in the course of construction.</li> </ol> </li> <li>III. Financial assets <ol style="list-style-type: none"> <li>1. Shares in affiliated undertakings.</li> <li>2. Loans to affiliated undertakings.</li> <li>3. Participating interests.</li> <li>4. Loans to undertakings with which the undertaking is linked by virtue of participating interests.</li> <li>5. Investments held as fixed assets.</li> <li>6. Other loans.</li> </ol> </li> </ol>	<p><b>C. Creditors</b></p> <p><del>(Amounts becoming due)</del> <u>Intangible assets</u></p> <ol style="list-style-type: none"> <li><u>1. Costs of development, in so far as national law permits their being shown as assets.</u></li> <li><u>2. Concessions, patents, licences, trademarks and <del>payable within one year</del> similar rights and <del>amounts becoming due</del> assets, if they were:</u> <ol style="list-style-type: none"> <li><u>(a) acquired for valuable consideration and <del>payable after more than one year</del> must need not be shown <del>separately for each item and</del> under C (I) (3); or</u></li> <li><u>(b) created by the undertaking itself, in so far as national law permits their being shown as assets.</u></li> </ol> </li> <li><u>3. Goodwill, to the extent that it was acquired for <del>the aggregate of these items</del> valuable consideration.</u></li> <li><del>1. Debenture loans, showing convertible loans separately.</del></li> <li><del>2. Amounts owed to credit institutions.</del></li> <li><del>3. Payments received on account.</del></li> <li><u>II. Tangible assets</u> <ol style="list-style-type: none"> <li><u>1. Land and buildings.</u></li> <li><u>2. Plant and machinery.</u></li> <li><u>3. Other fixtures and fittings, tools and equipment.</u></li> <li><u>4. Payments on account and tangible assets in the course of <del>orders in so far as they are not shown separately as deductions from stocks</del> construction.</u></li> </ol> </li> <li><u>III. Financial assets</u> <ol style="list-style-type: none"> <li><u>1. Shares in affiliated undertakings.</u></li> <li><u>2. Loans</u></li> <li><del>4. Trade creditors.</del></li> </ol> </li> <li><del>5. Bills of exchange payable.</del></li> <li><del>6. Amounts owed</del> to affiliated undertakings.</li> </ol>

	Content	Examples	Explanation
			<del>7. Amounts owed</del> <u>3. Participating interests.</u> <u>4. Loans</u> to undertakings with which the <u>company/undertaking</u> is linked by virtue of participating interests. <del>8. Other creditors including tax and social security.</del> <del>9. Accruals and deferred income (unless national law provides for such items to be shown under D under 'Liabilities').</del> <u>5. Investments held as fixed assets.</u> <u>6. Other loans.</u>
4th	<b>D. Accruals and deferred income</b> (unless national law provides for such items to be shown under C (9) under 'Liabilities').	<b>D. Accruals and deferred income</b> I. Stocks 1. Raw materials and consumables. 2. Work in progress. 3. Finished goods and goods for resale. 4. Payments on account. II. Debtors (Amounts becoming due and payable after more than one year shall be shown separately for each item.) 1. Trade debtors. 2. Amounts owed by affiliated undertakings. 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests. 4. Other debtors. 5. Subscribed capital called but not paid (unless national law provides that called-up capital is to be shown as an asset under A). 6. Prepayments and accrued income (unless national law provides that such items are to be shown as assets under E). III. Investments 1. Shares in affiliated undertakings.	<b>D. Accruals and deferred income</b> <u>I. Stocks</u> <u>1. Raw materials and consumables.</u> <u>2. Work in progress.</u> <u>3. Finished goods and goods for resale.</u> <u>4. Payments on account.</u> <u>II. Debtors</u> <u>(Amounts becoming due and payable after more than one year shall be shown separately for each item.)</u> <u>1. Trade debtors.</u> <u>2. Amounts owed by affiliated undertakings.</u> <u>3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests.</u> <u>4. Other debtors.</u> <u>5. Subscribed capital called but not paid</u> (unless national law provides <del>for such items that called-up capital is</del> to be shown <u>as an asset</u> under <del>C (9)A</del> <u>G (9)A</u> ). <u>6. Prepayments and accrued income (unless national law provides that such items are to be shown as assets</u> under <del>'Liabilities' E</del> <u>'Liabilities' E</u> ). <u>III. Investments</u>

	Content	Examples	Explanation
		<p>2. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value), to the extent that national law permits their being shown in the balance sheet.</p> <p>3. Other investments.</p> <p>IV. Cash at bank and in hand</p>	<p><u>1. Shares in affiliated undertakings.</u></p> <p><u>2. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value), to the extent that national law permits their being shown in the balance sheet.</u></p> <p><u>3. Other investments.</u></p> <p><u>IV. Cash at bank and in hand</u></p>
4 <sup>th</sup>	<p><b>E. Profit for the financial year</b> (unless national law provides for it to be shown under A (VI) under 'Liabilities').</p>	/	<p><del>E. Profit for the financial year</del> (unless national law provides for it to be shown under A (VI) under 'Liabilities').</p>
4 <sup>th</sup>	<p><i>Article 10</i></p> <p><b>A. Subscribed capital unpaid</b> of which there has been called (unless national law provides that called-up capital be shown under L. In that case, the part of the capital called but not yet paid must appear either under A or under D (11) (5)).</p> <p><b>B. Formation expenses</b> as defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under 'Intangible assets'.</p> <p><b>C. Fixed assets</b></p> <p>I. <i>Intangible assets</i></p> <p>1. Costs of research and development, in so far as national law permits their being shown as assets.</p> <p>2. Concessions, patents, licences, trade marks and similar rights and assets, if they were: (a) acquired for valuable consideration and need not be shown under C (I) (3); or (b) created by the undertaking itself, in so far as national law permits their being shown as assets.</p> <p>3. Goodwill, to the extent that it was acquired for</p>	<p>ANNEX IV VERTICAL LAYOUT OF THE BALANCE SHEET PROVIDED FOR IN ARTICLE 10</p> <p>A. Subscribed capital unpaid of which there has been called (unless national law provides that called-up capital is to be shown under L, in which case the part of the capital called but not yet paid must appear either under A or under D (II) (5).)</p> <p>B. Formation expenses as defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under "Intangible assets".</p> <p>C. Fixed assets</p> <p>I. Intangible assets</p> <p>1. Costs of development, in so far as national law permits their being shown as assets.</p> <p>2. Concessions, patents, licences, trademarks and similar rights and assets, if they were: (a) acquired for valuable consideration and need not be shown under C (I) (3); or</p>	<p><i>Article 10</i></p> <p><u>ANNEX IV</u> <u>VERTICAL LAYOUT OF THE BALANCE SHEET PROVIDED FOR IN ARTICLE 10</u></p> <p>A. Subscribed capital unpaid of which there has been called (unless national law provides that called-up capital <u>is to</u> be shown under L. <del>In that, in which case,</del> the part of the capital called but not yet paid must appear either under A or under D <del>(11) (5)).</del></p> <p>B. Formation expenses as defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under <del>"Intangible assets"</del> <u>"Intangible assets"</u>.</p> <p>C. Fixed assets</p> <p>I. Intangible assets</p> <p>1. Costs of <del>research and</del> development, in so far as national law permits their being shown as assets.</p> <p>2. Concessions, patents, licences, <u>trade</u></p>

	Content	Examples	Explanation
4 <sup>th</sup>	<p>valuable consideration.</p> <p>4. Payments on account.</p> <p>II. <i>Tangible assets</i></p> <ol style="list-style-type: none"> <li>1. Land and buildings.</li> <li>2. Plant and machinery.</li> <li>3. Other fixtures and fittings, tools and equipment.</li> <li>4. Payments on account and tangible assets in course of construction.</li> </ol> <p>III. <i>Financial assets</i></p> <ol style="list-style-type: none"> <li>1. Shares in affiliated undertakings.</li> <li>2. Loans to affiliated undertakings.</li> <li>3. Participating interests.</li> <li>4. Loans to undertakings with which the company is linked by virtue of participating interests.</li> <li>5. Investments held as fixed assets.</li> <li>6. Other loans.</li> <li>7. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) to the extent that national law permits their being shown in the balance sheet.</li> </ol> <p>D. <b>Current assets</b></p> <p>I. <i>Stocks</i></p> <ol style="list-style-type: none"> <li>1. Raw materials and consumables.</li> <li>2. Work in progress.</li> <li>3. Finished goods and goods for resale.</li> <li>4. Payments on account.</li> </ol> <p>II. <i>Debtors</i></p> <p>(Amounts becoming due and payable after more than one year must be shown separately for each item.)</p> <ol style="list-style-type: none"> <li>1. Trade debtors.</li> <li>2. Amounts owed by affiliated undertakings.</li> <li>3. Amounts owed by undertakings with which the company is linked by virtue of participating interests.</li> <li>4. Other debtors.</li> <li>5. Subscribed capital called but not paid (unless</li> </ol>	<p>(b) created by the undertaking itself, in so far as national law permits their being shown as assets.</p> <p>3. Goodwill, to the extent that it was acquired for valuable consideration.</p> <p>4. Payments on account.</p> <p>II. Tangible assets</p> <ol style="list-style-type: none"> <li>1. Land and buildings.</li> <li>2. Plant and machinery.</li> <li>3. Other fixtures and fittings, tools and equipment.</li> <li>4. Payments on account and tangible assets in the course of construction.</li> </ol> <p>III. Financial assets</p> <ol style="list-style-type: none"> <li>1. Shares in affiliated undertakings.</li> <li>2. Loans to affiliated undertakings.</li> <li>3. Participating interests.</li> <li>4. Loans to undertakings with which the undertaking is linked by virtue of participating interests.</li> <li>5. Investments held as fixed assets.</li> <li>6. Other loans.</li> </ol> <p>D. Current assets</p> <p>I. Stocks</p> <ol style="list-style-type: none"> <li>1. Raw materials and consumables.</li> <li>2. Work in progress.</li> <li>3. Finished goods and goods for resale.</li> <li>4. Payments on account.</li> </ol> <p>II. Debtors</p> <p>(Amounts becoming due and payable after more than one year must be shown separately for each item.)</p> <ol style="list-style-type: none"> <li>1. Trade debtors.</li> <li>2. Amounts owed by affiliated undertakings.</li> <li>3. Amounts owed by undertakings with which</li> </ol>	<p><del>marks</del><a href="#">trademarks</a> and similar rights and assets, if they were:</p> <p>(a) acquired for valuable consideration and need not be shown under C (I) (3); or</p> <p>(b) created by the undertaking itself, in so far as national law permits their being shown as assets.</p> <p>3. Goodwill, to the extent that it was acquired for valuable consideration.</p> <p>4. Payments on account.</p> <p>II. Tangible assets</p> <ol style="list-style-type: none"> <li>1. Land and buildings.</li> <li>2. Plant and machinery.</li> <li>3. Other fixtures and fittings, tools and equipment.</li> <li>4. Payments on account and tangible assets in <a href="#">the</a> course of construction.</li> </ol> <p>III. Financial assets</p> <ol style="list-style-type: none"> <li>1. Shares in affiliated undertakings.</li> <li>2. Loans to affiliated undertakings.</li> <li>3. Participating interests.</li> <li>4. Loans to undertakings with which the <a href="#">company undertaking</a> is linked by virtue of participating interests.</li> <li>5. Investments held as fixed assets.</li> <li>6. Other loans.</li> </ol> <p><del>7. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) to the extent that national law permits their being shown in the balance sheet.</del></p> <p>D. Current assets</p> <p>I. Stocks</p> <ol style="list-style-type: none"> <li>1. Raw materials and consumables.</li> <li>2. Work in progress.</li> <li>3. Finished goods and goods for resale.</li> <li>4. Payments on account.</li> </ol>

	Content	Examples	Explanation
4 <sup>th</sup>	<p>national law provides that called-up capital be shown under A).</p> <p>6. Prepayments and accrued income (unless national law provides that such items be shown under E).</p> <p>III. <i>Investments</i></p> <ol style="list-style-type: none"> <li>Shares in affiliated undertakings.</li> <li>Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) to the extent that national law permits their being shown in the balance sheet.</li> <li>Other investments.</li> </ol> <p>IV. <i>Cash at bank and in hand.</i></p> <p><b>E. Prepayments and accrued income</b> (unless national law provides for such items to be shown under D (II) (6)).</p> <p><b>F. Creditors: amounts be coming due and payable within one year</b></p> <ol style="list-style-type: none"> <li>Debenture loans, showing convertible loans separately.</li> <li>Amounts owed to credit institutions.</li> <li>Payments received on account of orders in so far as they are not shown separately as deductions from stocks.</li> <li>Trade creditors.</li> <li>Bills of exchange payable.</li> <li>Amounts owed to affiliated undertakings.</li> <li>Amounts owed to undertakings with which the company is linked by virtue of participating interests.</li> <li>Other creditors including tax and social security.</li> <li>Accruals and deferred income (unless national law provides for such items to be shown under K).</li> </ol> <p><b>G. Net current assets/liabilities</b> (taking into account prepayments and accrued income when shown under E and accruals and deferred income when shown under K).</p> <p><b>H. Total assets less current liabilities</b></p> <p><b>I. Creditors: amounts becoming due and payable</b></p>	<p>the company is linked by virtue of participating interests.</p> <ol style="list-style-type: none"> <li>Other debtors.</li> <li>Subscribed capital called but not paid (unless national law provides that called-up capital is to be shown as an asset under A).</li> <li>Prepayments and accrued income (unless national law provides that such items are to be shown as assets under E).</li> </ol> <p>III. Investments</p> <ol style="list-style-type: none"> <li>Shares in affiliated undertakings.</li> <li>Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value), to the extent that national law permits their being shown in the balance sheet.</li> <li>Other investments.</li> </ol> <p>IV. Cash at bank and in hand</p> <p>E. Prepayments and accrued income (Unless national law provides that such items are to be shown under D (II) (6).)</p> <p>F. Creditors: amounts becoming due and payable within one year</p> <ol style="list-style-type: none"> <li>Debenture loans, showing convertible loans separately.</li> <li>Amounts owed to credit institutions.</li> <li>Payments received on account of orders, in so far as they are not shown separately as deductions from stocks.</li> <li>Trade creditors.</li> <li>Bills of exchange payable.</li> <li>Amounts owed to affiliated undertakings.</li> <li>Amounts owed to undertakings with which the company is linked by virtue of participating interests.</li> <li>Other creditors, including tax and social</li> </ol>	<p>II. Debtors (Amounts becoming due and payable after more than one year must be shown separately for each item.)</p> <ol style="list-style-type: none"> <li>Trade debtors.</li> <li>Amounts owed by affiliated undertakings.</li> <li>Amounts owed by undertakings with which the company is linked by virtue of participating interests.</li> <li>Other debtors.</li> <li>Subscribed capital called but not paid (unless national law provides that called-up capital <u>is to be shown as an asset</u> under A).</li> <li>Prepayments and accrued income (unless national law provides that such items <u>are to be shown as assets</u> under E).</li> </ol> <p>III. Investments</p> <ol style="list-style-type: none"> <li>Shares in affiliated undertakings.</li> <li>Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) <u>to the extent that national law permits their being shown in the balance sheet.</u></li> <li>Other investments.</li> </ol> <p>IV. Cash at bank and in hand-</p> <p>E. Prepayments and accrued income (<del>unless</del><u>Unless</u> national law provides <del>for that</del> such items <u>are</u> to be shown under D (II) (6).)</p> <p>F. Creditors: amounts <del>be coming</del><u>becoming</u> due and payable within one year</p> <ol style="list-style-type: none"> <li>Debenture loans, showing convertible loans separately.</li> <li>Amounts owed to credit institutions.</li> <li>Payments received on account of orders, in so far as they are not shown separately as deductions from stocks.</li> </ol>

	Content	Examples	Explanation
4 <sup>th</sup>	<p><b>after more than one year</b></p> <ol style="list-style-type: none"> <li>1. Debenture loans, showing convertible loans separately.</li> <li>2. Amounts owed to credit institutions.</li> <li>3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks.</li> <li>4. Trade creditors.</li> <li>5. Bills of exchange payable.</li> <li>6. Amounts owed to affiliated undertakings.</li> <li>7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.</li> <li>8. Other creditors including tax and social security.</li> <li>9. Accruals and deferred income (unless national law provides for such items to be shown under K).</li> </ol> <p><b>J. Provisions</b></p> <ol style="list-style-type: none"> <li>1. Provisions for pensions and similar obligations.</li> <li>2. Provisions for taxation.</li> <li>3. Other provisions.</li> </ol> <p><b>K. Accruals and deferred income</b> (unless national law provides for such items to be shown under F (9) or I (9) or both).</p> <p><b>L. Capital and reserves</b></p> <p>I. <i>Subscribed capital</i> (unless national law provides for called-up capital to be shown under this item. In that case, the amounts of subscribed capital and paid-up capital must be shown separately).</p> <p>II. <i>Share premium account</i></p> <p>III. <i>Revaluation reserve</i></p> <p>IV. <i>Reserves</i></p> <ol style="list-style-type: none"> <li>1. Legal reserve, in so far as national law requires such a reserve.</li> <li>2. Reserve for own shares, in so far as national law requires such a reserve, without prejudice to Article 22 (1) (b) of Directive 77/91/EEC.</li> </ol>	<p>security authorities.</p> <ol style="list-style-type: none"> <li>9. Accruals and deferred income (unless national law provides that such items are to be shown under K).</li> </ol> <p>G. Net current assets/liabilities (Taking into account prepayments and accrued income when shown under E and accruals and deferred income when shown under K.)</p> <p>H. Total assets less current liabilities</p> <p>I. Creditors: amounts becoming due and payable after more than one year</p> <ol style="list-style-type: none"> <li>1. Debenture loans, showing convertible loans separately.</li> <li>2. Amounts owed to credit institutions.</li> <li>3. Payments received on account of orders, in so far as they are not shown separately as deductions from stocks.</li> <li>4. Trade creditors.</li> <li>5. Bills of exchange payable.</li> <li>6. Amounts owed to affiliated undertakings.</li> <li>7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.</li> <li>8. Other creditors, including tax and social security authorities.</li> <li>9. Accruals and deferred income (unless national law provides that such items are to be shown under K).</li> </ol> <p>J. Provisions</p> <ol style="list-style-type: none"> <li>1. Provisions for pensions and similar obligations.</li> <li>2. Provisions for taxation.</li> <li>3. Other provisions.</li> </ol> <p>K. Accruals and deferred income (Unless national law provides that such items are to be shown under F (9) or I (9) or both.)</p>	<ol style="list-style-type: none"> <li>4. Trade creditors.</li> <li>5. Bills of exchange payable.</li> <li>6. Amounts owed to affiliated undertakings.</li> </ol> <p><del>7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.</del></p> <p><u>7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.</u></p> <ol style="list-style-type: none"> <li>8. Other creditors, including tax and social security— <u>authorities.</u></li> <li>9. Accruals and deferred income (unless national law provides <del>for that</del> such items <u>are</u> to be shown under K).</li> </ol> <p>G. Net current assets/liabilities <del>(taking</del> <u>(Taking</u> into account prepayments and accrued income when shown under E and accruals and deferred income when shown under K) <del>—.)</del></p> <p>H. Total assets less current liabilities</p> <p>I. Creditors: amounts becoming due and payable after more than one year</p> <ol style="list-style-type: none"> <li>1. Debenture loans, showing convertible loans separately.</li> <li>2. Amounts owed to credit institutions.</li> <li>3. Payments received on account of orders, in so far as they are not shown separately as deductions from stocks.</li> <li>4. Trade creditors.</li> <li>5. Bills of exchange payable.</li> <li>6. Amounts owed to affiliated undertakings.</li> </ol> <p><u>7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.</u> <del>7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.</del></p> <ol style="list-style-type: none"> <li>8. Other creditors, including tax and social</li> </ol>

	Content	Examples	Explanation
4th	<p>3. Reserves provided for by the articles of association.</p> <p>4. Other reserves.</p> <p>V. Profit or loss brought forward</p> <p>VI. Profit or loss for the financial year</p>	<p>L. Capital and reserves</p> <p>I. Subscribed capital (Unless national law provides that called-up capital is to be shown under this item, in which case the amounts of subscribed capital and paid-up capital must be shown separately.)</p> <p>II. Share premium account</p> <p>III. Revaluation reserve</p> <p>IV. Reserves</p> <p>1. Legal reserve, in so far as national law requires such a reserve.</p> <p>2. Reserve for own shares, in so far as national law requires such a reserve, without prejudice to point (b) of Article 24(1) of Directive 2012/30/EU.</p> <p>3. Reserves provided for by the articles of association.</p> <p>4. Other reserves, including the fair value reserve.</p> <p>V. Profit or loss brought forward</p> <p>VI. Profit or loss for the financial year</p>	<p>security- <u>authorities.</u></p> <p>9. Accruals and deferred income (unless national law provides <del>for that</del> such items <u>are</u> to be shown under K).</p> <p>J. Provisions</p> <p>1. Provisions for pensions and similar obligations.</p> <p>2. Provisions for taxation.</p> <p>3. Other provisions.</p> <p>K. Accruals and deferred income (<del>unless</del><u>Unless</u> national law provides <del>for that</del> such items <u>are</u> to be shown under F (9) or I (9) or both<del>-.).</del>)</p> <p>L. Capital and reserves</p> <p>I. Subscribed capital (<del>unless</del><u>Unless</u> national law provides <del>for that</del> called-up capital <u>is</u> to be shown under this item-<del>in that, in which</del> case, the amounts of subscribed capital and paid-up capital must be shown separately<del>-.).</del>)</p> <p>II. Share premium account</p> <p>III. Revaluation reserve</p> <p>IV. Reserves</p> <p>1. Legal reserve, in so far as national law requires such a reserve.</p> <p>2. Reserve for own shares, in so far as national law requires such a reserve, without prejudice to <u>point (b) of Article 22-24(1) (b)</u> of Directive <del>77/91/EEC-</del><u>2012/30/EU.</u></p> <p>3. Reserves provided for by the articles of association.</p> <p>4. Other reserves<del>-, including the fair value</del> <u>reserve.</u></p> <p>V. Profit or loss brought forward</p> <p>VI. Profit or loss for the financial year</p>

	Content	Examples	Explanation
4th	<p><i>Article 10a</i></p> <p>Instead of the presentation of balance sheet items in accordance with Articles 9 and 10, Member States may permit or require companies, or certain classes of company, to present those items on the basis of a distinction between current and non-current items provided that the information given is at least equivalent to that otherwise required by Articles 9 and 10</p>	<p>Article 11</p> <p>Alternative presentation of the balance sheet</p> <p>Member States may permit or require undertakings, or certain classes of undertaking, to present items on the basis of a distinction between current and non-current items in a different layout from that set out in Annexes III and IV, provided that the information given is at least equivalent to that otherwise to be provided in accordance with Annexes III and IV.</p>	<p>Article <del>10a</del>11</p> <p><del>Instead of the Alternative</del> presentation of <del>the</del> balance sheet <del>items in accordance with Articles 9 and 10,</del></p> <p>Member States may permit or require <del>companies</del><del>undertakings</del>, or certain classes of <del>company</del><del>undertaking</del>, to present <del>those</del> items on the basis of a distinction between current and non-current items <del>in a different layout from that set out in Annexes III and IV,</del> provided that the information given is at least equivalent to that otherwise <del>required by Articles 9 to be provided in accordance with Annexes III and 10IV.</del></p>
		<p>Article 3 (1)</p> <p>Categories of undertakings and groups</p> <p>1. In applying one or more of the options in Article 36, Member States shall define micro-undertakings as undertakings which on their balance sheet dates do not exceed the limits of at least two of the three following criteria:</p> <p>(a) balance sheet total: EUR 350000;</p> <p>(b) net turnover: EUR 700000;</p> <p>(c) average number of employees during the financial year: 10.</p>	<p>Article 3 (1)</p> <p><u>Categories of undertakings and groups</u></p> <p><u>1. In applying one or more of the options in Article 36, Member States shall define micro-undertakings as undertakings which on their balance sheet dates do not exceed the limits of at least two of the three following criteria:</u></p> <p><u>(a) balance sheet total: EUR 350000;</u></p> <p><u>(b) net turnover: EUR 700000;</u></p> <p><u>(c) average number of employees during the financial year: 10.</u></p>
4th	<p><i>Article 11</i></p> <p>The Member States may permit companies which on their balance sheet dates do not exceed the limits of two of the three following criteria:</p> <p>— balance sheet total: EUR 4 400 000,</p> <p>— net turnover: EUR 8 800 000,</p> <p>— average number of employees during the financial year: 50</p> <p>to draw up abridged balance sheets showing only those items preceded by letters and roman numerals in Articles 9 and 10, disclosing separately the information required in brackets in D (II) under 'Assets' and C under 'Liabilities' in Article 9 and in D (II) in Article 10, but in total for each.</p>	<p>Article 3(2) and Article 14(1)</p> <p>2. Small undertakings shall be undertakings which on their balance sheet dates do not exceed the limits of at least two of the three following criteria:</p> <p>(a) balance sheet total: EUR 4000000;</p> <p>(b) net turnover: EUR 8000000;</p> <p>(c) average number of employees during the financial year: 50.</p> <p>Member States may define thresholds exceeding the thresholds in points (a) and (b) of the first</p>	<p>Article <del>11</del>3(2) and Article 14(1)</p> <p><del>The Member States may permit companies</del><del>2.</del> <u>Small undertakings shall be undertakings</u> which on their balance sheet dates do not exceed the limits of <u>at least</u> two of the three following criteria:</p> <p><del>—(a) balance sheet total: EUR 4 400 000, 4000000;</del></p> <p><del>—(b) net turnover: EUR 8 800 000, 8000000;</del></p> <p><del>—(c) average number of employees during the financial year: 50.</del></p>



	Content	Examples	Explanation
		<p>subparagraph. However, the thresholds shall not exceed EUR 6000000 for the balance sheet total and EUR 12000000 for the net turnover.</p> <p style="text-align: center;">Article 14</p> <p style="text-align: center;">Simplifications for small and medium-sized undertakings</p> <p>1. Member States may permit small undertakings to draw up abridged balance sheets showing only those items in Annexes III and IV preceded by letters and roman numerals, disclosing separately:</p> <p>(a) the information required in brackets in D (II) under "Assets" and C under "Capital, reserves and liabilities" of Annex III, but in the aggregate for each; or</p> <p>(b) the information required in brackets in D (II) of Annex IV.</p>	<p><u>Member States may define thresholds exceeding the thresholds in points (a) and (b) of the first subparagraph. However, the thresholds shall not exceed EUR 6000000 for the balance sheet total and EUR 12000000 for the net turnover.</u></p> <p style="text-align: center;"><u>Article 14</u></p> <p style="text-align: center;"><u>Simplifications for small and medium-sized undertakings</u></p> <p><u>1. Member States may permit small undertakings to draw up abridged balance sheets showing only those items in Annexes III and IV preceded by letters and roman numerals in Articles 9 and 10, disclosing separately:</u></p> <p><u>(a) the information required in brackets in D (II) under 'Assets' and C under 'Liabilities' in Article 9 and in D (II) in Article 10 'Capital, reserves and liabilities' of Annex III, but in total the aggregate for each; or</u></p> <p><u>(b) the information required in brackets in D (II) of Annex IV.</u></p>
4th	Member States may waive the application of Article 15 (3) (a) and (4) to the abridged balance sheet.	/	<p><del>Member States may waive the application of Article 15 (3) (a) and (4) to the abridged balance sheet.</del></p>
		<p style="text-align: center;">Article 3 (4), (5), (6), (7)</p> <p style="text-align: center;">Categories of undertakings and groups</p> <p>4. Large undertakings shall be undertakings which on their balance sheet dates exceed at least two of the three following criteria:</p> <p>(a) balance sheet total: EUR 20000000;</p> <p>(b) net turnover: EUR 40000000;</p> <p>(c) average number of employees during the financial year: 250.</p> <p>5. Small groups shall be groups consisting of parent and subsidiary undertakings to be included in a consolidation and which, on a consolidated basis, do not exceed the limits of at</p>	<p style="text-align: center;"><u>Article 3 (4), (5), (6), (7)</u></p> <p style="text-align: center;"><u>Categories of undertakings and groups</u></p> <p><u>4. Large undertakings shall be undertakings which on their balance sheet dates exceed at least two of the three following criteria:</u></p> <p><u>(a) balance sheet total: EUR 20000000;</u></p> <p><u>(b) net turnover: EUR 40000000;</u></p> <p><u>(c) average number of employees during the financial year: 250.</u></p> <p><u>5. Small groups shall be groups consisting of parent and subsidiary undertakings to be included in a consolidation and which, on a consolidated basis, do not exceed the limits of at</u></p>

	Content	Examples	Explanation
		<p>least two of the three following criteria on the balance sheet date of the parent undertaking:</p> <p>(a) balance sheet total: EUR 4000000;</p> <p>(b) net turnover: EUR 8000000;</p> <p>(c) average number of employees during the financial year: 50.</p> <p>Member States may define thresholds exceeding the thresholds in points (a) and (b) of the first subparagraph. However, the thresholds shall not exceed EUR 6000000 for the balance sheet total and EUR 12000000 for the net turnover.</p> <p>6. Medium-sized groups shall be groups which are not small groups, which consist of parent and subsidiary undertakings to be included in a consolidation and which, on a consolidated basis, do not exceed the limits of at least two of the three following criteria on the balance sheet date of the parent undertaking:</p> <p>(a) balance sheet total: EUR 20000000;</p> <p>(b) net turnover: EUR 40000000;</p> <p>(c) average number of employees during the financial year: 250.</p> <p>7. Large groups shall be groups consisting of parent and subsidiary undertakings to be included in a consolidation and which, on a consolidated basis, exceed the limits of at least two of the three following criteria on the balance sheet date of the parent undertaking:</p> <p>(a) balance sheet total: EUR 200000000;</p> <p>(b) net turnover: EUR 400000000;</p> <p>(c) average number of employees during the financial year: 250.</p>	<p><u>least two of the three following criteria on the balance sheet date of the parent undertaking:</u></p> <p><u>(a) balance sheet total: EUR 4000000;</u></p> <p><u>(b) net turnover: EUR 8000000;</u></p> <p><u>(c) average number of employees during the financial year: 50.</u></p> <p><u>Member States may define thresholds exceeding the thresholds in points (a) and (b) of the first subparagraph. However, the thresholds shall not exceed EUR 6000000 for the balance sheet total and EUR 12000000 for the net turnover.</u></p> <p><u>6. Medium-sized groups shall be groups which are not small groups, which consist of parent and subsidiary undertakings to be included in a consolidation and which, on a consolidated basis, do not exceed the limits of at least two of the three following criteria on the balance sheet date of the parent undertaking:</u></p> <p><u>(a) balance sheet total: EUR 20000000;</u></p> <p><u>(b) net turnover: EUR 40000000;</u></p> <p><u>(c) average number of employees during the financial year: 250.</u></p> <p><u>7. Large groups shall be groups consisting of parent and subsidiary undertakings to be included in a consolidation and which, on a consolidated basis, exceed the limits of at least two of the three following criteria on the balance sheet date of the parent undertaking:</u></p> <p><u>(a) balance sheet total: EUR 200000000;</u></p> <p><u>(b) net turnover: EUR 400000000;</u></p> <p><u>(c) average number of employees during the financial year: 250.</u></p>
4th	In the case of those Member States which have not adopted the euro, the amount in national currency equivalent to the amounts specified in the first paragraph shall be that obtained by applying the	Article 3(9), first paragraph 9. In the case of those Member States which have not adopted the euro, the amount in national currency equivalent to the amounts set	<u>Article 3(9), first paragraph</u> <u>9. In the case of those Member States which have not adopted the euro, the amount in</u>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	exchange rate published in the <i>Official Journal of the European Union</i> on the date of the entry into force of any Directive setting those amounts.	out in paragraphs 1 to 7 shall be that obtained by applying the exchange rate published in the Official Journal of the European Union as at the date of the entry into force of any Directive setting those amounts.	national currency equivalent to the amounts <del>specified set out in the first paragraph</del> paragraphs 1 to 7 shall be that obtained by applying the exchange rate published in the Official Journal of the European Union <del>on as at</del> the date of the entry into force of any Directive setting those amounts.
4th	<i>Article 12</i> 1. Where on its balance sheet date, a company exceeds or ceases to exceed the limits of two of the three criteria indicated in Article 11, that fact shall affect the application of the derogation provided for in that Article only if it occurs in two consecutive financial years.	Article 3(10) 10. Where, on its balance sheet date, an undertaking or a group exceeds or ceases to exceed the limits of two of the three criteria set out in paragraphs 1 to 7, that fact shall affect the application of the derogations provided for in this Directive only if it occurs in two consecutive financial years.	Article <del>12</del> (10) <del>10.</del> Where, on its balance sheet date, <u>an undertaking or a company group</u> exceeds or ceases to exceed the limits of two of the three criteria <del>indicated set out in Article 11</del> paragraphs 1 to 7, that fact shall affect the application of the <del>derogation</del> derogations provided for in <del>that Article</del> <u>this Directive</u> only if it occurs in two consecutive financial years.
4th	2. For the purposes of translation into national currencies, the amounts in European units of account specified in Article 11 may be increased by not more than 10 %.	Article 3(9), second paragraph For the purposes of conversion into the national currencies of those Member States which have not adopted the euro, the amounts in euro specified in paragraphs 1, 3, 4, 6 and 7 may be increased or decreased by not more than 5 % in order to produce round sum amounts in the national currencies.	<del>2-</del> <u>Article 3(9), second paragraph</u> For the purposes of <del>translation</del> <u>conversion</u> into <u>the national currencies of those Member States which have not adopted the euro</u> , the amounts in <del>European units of account</del> <u>euro</u> specified in <del>Article 11</del> paragraphs 1, 3, 4, 6 and 7 may be increased <u>or decreased</u> by not more than <del>10 %</del> <u>5 % in order to produce round sum amounts in the national currencies.</u>
4th	3. The balance sheet total referred to in Article 11 shall consist of the assets in A to E under 'Assets' in the layout prescribed in Article 9 or those in A to E in the layout prescribed in Article 10.	Article 3(11) 11. The balance sheet total referred to in paragraphs 1 to 7 of this Article shall consist of the total value of the assets in A to E under "Assets" in the layout set out in Annex III or of the assets in A to E in the layout set out in Annex IV.	<u>Article 3(11)</u> <u>11.</u> The balance sheet total referred to in <u>paragraphs 1 to 7 of this Article</u> shall consist of the <u>total value of the</u> assets in A to E under <del>'Assets'</del> <u>"Assets"</u> in the layout <del>prescribed set out in Article 9</del> <u>prescribed set out in Annex III</u> or <del>those of the assets</del> in A to E in the layout <del>prescribed set out in Article 10</del> <u>prescribed set out in Article 10-Annex IV.</u>
		Article 3 (12)	<u>Article 3 (12)</u>

	Content	Examples	Explanation
		<p>Categories of undertakings and groups</p> <p>12. When calculating the thresholds in paragraphs 1 to 7, Member States may require the inclusion of income from other sources for undertakings for which "net turnover" is not relevant. Member States may require parent undertakings to calculate their thresholds on a consolidated basis rather than on an individual basis. Member States may also require affiliated undertakings to calculate their thresholds on a consolidated or aggregated basis where such undertakings have been established for the sole purpose of avoiding the reporting of certain information.</p>	<p><u>Categories of undertakings and groups</u></p> <p><u>12. When calculating the thresholds in paragraphs 1 to 7, Member States may require the inclusion of income from other sources for undertakings for which "net turnover" is not relevant. Member States may require parent undertakings to calculate their thresholds on a consolidated basis rather than on an individual basis. Member States may also require affiliated undertakings to calculate their thresholds on a consolidated or aggregated basis where such undertakings have been established for the sole purpose of avoiding the reporting of certain information.</u></p>
		<p>Article 8 (1)</p> <p>Alternative measurement basis of fair value</p> <p>1. By way of derogation from point (i) of Article 6(1) and subject to the conditions set out in this Article:</p>	<p><u>Article 8 (1)</u></p> <p><u>Alternative measurement basis of fair value</u></p> <p><u>1. By way of derogation from point (i) of Article 6(1) and subject to the conditions set out in this Article:</u></p>
4th	<p><i>Article 13</i></p> <p>1. Where an asset or liability relates to more than one layout item, its relationship to other items must be disclosed either under the item where it appears or in the notes on the accounts, if such disclosure is essential to the comprehension of the annual accounts.</p>	<p>Article 12(1)</p> <p>Special provisions relating to certain balance sheet items</p> <p>1. Where an asset or liability relates to more than one layout item, its relationship to other items shall be disclosed either under the item where it appears or in the notes to the financial statements.</p>	<p><del>Article 13(1)</del></p> <p><u>Special provisions relating to certain balance sheet items</u></p> <p>1. Where an asset or liability relates to more than one layout item, its relationship to other items <del>must</del><u>shall</u> be disclosed either under the item where it appears or in the notes <del>on the accounts, if such disclosure is essential to the comprehension of the annual accounts.</del> <u>financial statements.</u></p>
4th	<p>2. Own shares and shares in affiliated undertakings may be shown only under the items prescribed for that purpose.</p>	<p>Article 12(2)</p> <p>2. Own shares and shares in affiliated undertakings shall be shown only under the items prescribed for that purpose.</p>	<p><u>Article 12(2)</u></p> <p><u>2. Own shares and shares in affiliated undertakings <del>may</del><u>shall</u> be shown only under the items prescribed for that purpose.</u></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
4 <sup>th</sup>	<p><i>Article 14</i></p> <p>All commitments by way of guarantee of any kind must, if there is no obligation to show them as liabilities, be clearly set out at the foot of the balance sheet or in the notes on the accounts, and a distinction made between the various types of guarantee which national law recognizes; specific disclosure must be made of any valuable security which has been provided. Commitments of this kind existing in respect of affiliated undertakings must be shown separately.</p>	<p>Article 16(1), point (d)</p> <p>Content of the notes to the financial statements relating to all undertakings</p> <p>(d) the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions and affiliated or associated undertakings shall be disclosed separately;</p>	<p>Article <del>14</del>16(1), point (d)</p> <p><u>AllContent of the notes to the financial statements relating to all undertakings</u></p> <p><u>(d) the total amount of any financial commitments by way of guarantee of any kind must, if there is no obligation to show them as liabilities, be clearly set out at the foot of the guarantees or contingencies that are not included in the balance sheet or in the notes on the accounts, and a distinction made between the various types of guarantee which national law recognizes; specific disclosure must be made, and an indication of the nature and form of any valuable security which has been provided. Commitments of this kind existing in respect of; any commitments concerning pensions and affiliated or associated undertakings mustshall be showndisclosed separately.;</u></p>
4 <sup>th</sup>	<p><b>SECTION 4</b></p> <p><b>Special provisions relating to certain balance sheet items</b></p>		<p><b>SECTION 4</b></p> <p><u>Special provisions relating to certain balance sheet items</u></p>
4 <sup>th</sup>	<p><i>Article 15</i></p> <p>1. Whether particular assets are to be shown as fixed assets or current assets shall depend upon the purpose for which they are intended.</p>	<p>Article 12(3)</p> <p>Special provisions relating to certain balance sheet items</p> <p>3. Whether particular assets are to be shown as fixed assets or current assets shall depend upon the purpose for which they are intended.</p>	<p>Article <del>12</del>12(3)</p> <p><u>Special provisions relating to certain balance sheet items</u></p> <p><u>3. Whether particular assets are to be shown as fixed assets or current assets shall depend upon the purpose for which they are intended.</u></p>
4 <sup>th</sup>	<p>2. Fixed assets shall comprise those assets which are intended for use on a continuing basis for the purposes of the undertaking's activities.</p>	<p>Article 2(4)</p> <p>Definitions</p> <p>(4) "fixed assets" means those assets which are intended for use on a continuing basis for the undertaking's activities;</p>	<p>Article <del>2</del>2-<u>Fixed(4)</u></p> <p><u>(4) "fixed assets shall comprise" means those assets which are intended for use on a continuing basis for the purposes of the undertaking's activities.;</u></p>
4 <sup>th</sup>	<p>3. (a) Movements in the various fixed asset items</p>	<p>Article 17(1), point (a)</p> <p>Additional disclosures for medium-sized and</p>	<p><del>3</del>Article 17(1), point (a) <u>Movements in</u></p>

	Content	Examples	Explanation
	shall be shown in the balance sheet or in the notes on the accounts. To this end there shall be shown separately, starting with the purchase price or production cost, for each fixed asset item, on the one hand, the additions, disposals and transfers during the financial year and, on the other, the cumulative value adjustments at the balance sheet date and the rectifications made during the financial year to the value adjustments of previous financial years. Value adjustments shall be shown either in the balance sheet, as clear deductions from the relevant items, or in the notes on the accounts.	<p>large undertakings and public-interest entities</p> <p>(a) for the various fixed asset items:</p> <p>(i) the purchase price or production cost or, where an alternative basis of measurement has been followed, the fair value or revalued amount at the beginning and end of the financial year,</p> <p>(ii) additions, disposals and transfers during the financial year,</p> <p>(iii) the accumulated value adjustments at the beginning and end of the financial year,</p> <p>(iv) value adjustments charged during the financial year,</p> <p>(v) movements in accumulated value adjustments in respect of additions, disposals and transfers during the financial year, and</p> <p>(vi) where interest is capitalised in accordance with Article 12(8), the amount capitalised during the financial year.</p>	<p><u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u></p> <p><u>(a) for the various fixed asset items shall be shown in the balance sheet or in the notes on the accounts. To this end there shall be shown separately, starting with:</u></p> <p><u>(i) the purchase price or production cost, for each fixed asset item, on the one hand, the or, where an alternative basis of measurement has been followed, the fair value or revalued amount at the beginning and end of the financial year,</u></p> <p><u>(ii) additions, disposals and transfers during the financial year and, on,</u></p> <p><u>(iii) the other, the cumulative accumulated value adjustments at the balance sheet date beginning and end of the rectifications made financial year,</u></p> <p><u>(iv) value adjustments charged during the financial year to the value adjustments of previous financial years. Value,</u></p> <p><u>(v) movements in accumulated value adjustments shall be shown either in the balance sheet, as clear deductions from the relevant items, or in the notes on the accounts in respect of additions, disposals and transfers during the financial year, and</u></p> <p><u>(vi) where interest is capitalised in accordance with Article 12(8), the amount capitalised during the financial year.</u></p>
4 <sup>th</sup>	(b) If, when annual accounts are drawn up in accordance with this Directive for the first time, the purchase price or production cost of a fixed asset cannot be determined without undue expense or delay, the residual value at the beginning of the financial year may be treated as the purchase price or production cost. Any application of this provision must be disclosed in the notes on the accounts.	/	<del>(b) If, when annual accounts are drawn up in accordance with this Directive for the first time, the purchase price or production cost of a fixed asset cannot be determined without undue expense or delay, the residual value at the beginning of the financial year may be treated as the purchase price or production cost. Any application of this provision must be disclosed in the notes on the accounts. -/</del>
4 <sup>th</sup>	(c) Where Article 33 is applied, the movements in the various fixed asset items referred to in subparagraph	Article 17(1), point (a)(i)	<del>(c) Where Article 33 is applied, the movements in</del> <u>17(1), point (a)(i)</u>

	Content	Examples	Explanation
	(a) of this paragraph shall be shown starting with the purchase price or production cost resulting from revaluation.	<p>(a) for the various fixed asset items:</p> <p>(i) the purchase price or production cost or, where an alternative basis of measurement has been followed, the fair value or revalued amount at the beginning and end of the financial year,</p> <p>(ii) additions, disposals and transfers during the financial year,</p> <p>(iii) the accumulated value adjustments at the beginning and end of the financial year,</p> <p>(iv) value adjustments charged during the financial year,</p> <p>(v) movements in accumulated value adjustments in respect of additions, disposals and transfers during the financial year, and</p> <p>(vi) where interest is capitalised in accordance with Article 12(8), the amount capitalised during the financial year.</p> <p>(i) where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting par value for each class;</p>	<p><del>(a) for the various fixed asset items referred to in subparagraph (a) of this paragraph shall be shown starting with:</del></p> <p><u>(i) the purchase price or production cost resulting from revaluation or, where an alternative basis of measurement has been followed, the fair value or revalued amount at the beginning and end of the financial year.</u></p> <p><u>(ii) additions, disposals and transfers during the financial year.</u></p> <p><u>(iii) the accumulated value adjustments at the beginning and end of the financial year.</u></p> <p><u>(iv) value adjustments charged during the financial year.</u></p> <p><u>(v) movements in accumulated value adjustments in respect of additions, disposals and transfers during the financial year, and</u></p> <p><u>(vi) where interest is capitalised in accordance with Article 12(8), the amount capitalised during the financial year.</u></p> <p><u>(i) where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting par value for each class:</u></p>
4 <sup>th</sup>	4. Paragraph 3 (a) and (b) shall apply to the presentation of 'Formation expenses'.	/	<del>4. Paragraph 3 (a) and (b) shall apply to the presentation of 'Formation expenses'./</del>
4 <sup>th</sup>	<p><i>Article 16</i></p> <p>Rights to immovables and other similar rights as defined by national law must be shown under 'Land and buildings'.</p>	<p>Article 12(4)</p> <p>Special provisions relating to certain balance sheet items</p> <p>4. Rights to immovables and other similar rights as defined by national law shall be shown under "Land and buildings".</p>	<p>Article <del>16</del>12(4)</p> <p><u>Special provisions relating to certain balance sheet items</u></p> <p><u>4. Rights to immovables and other similar rights as defined by national law <del>must</del>shall be shown under "Land and <del>buildings</del>'-buildings".</u></p>
4 <sup>th</sup>	<p><i>Article 17</i></p> <p>For the purposes of this Directive, <i>participating interest</i> shall mean rights in the capital of other undertakings, whether or not represented by</p>	<p>Article 2(2)</p> <p>Definitions</p> <p>(2) "participating interest" means rights in the</p>	<p>Article <del>17</del>2(2)</p> <p><u>For the purposes of this Directive, <del>Definitions</del></u></p> <p><u>(2) "participating interest <del>shall mean</del>" means</u></p>

	Content	Examples	Explanation
	certificates, which, by creating a durable link with those undertakings, are intended to contribute to the company's activities. The holding of part of the capital of another company shall be presumed to constitute a participating interest where it exceeds a percentage fixed by the Member States which may not exceed 20 %.	capital of other undertakings, whether or not represented by certificates, which, by creating a durable link with those undertakings, are intended to contribute to the activities of the undertaking which holds those rights. The holding of part of the capital of another undertaking is presumed to constitute a participating interest where it exceeds a percentage threshold fixed by the Member States which is lower than or equal to 20 %;	rights in the capital of other undertakings, whether or not represented by certificates, which, by creating a durable link with those undertakings, are intended to contribute to the <del>company's</del> <u>activities of the undertaking which holds those rights</u> . The holding of part of the capital of another <del>company shall be</del> <u>undertaking is</u> presumed to constitute a participating interest where it exceeds a percentage <del>threshold</del> <u>fixed</u> by the Member States which <del>may not exceed</del> <u>is lower than or equal to 20 %-%</u> ;
	<i>Article 18</i> Expenditure incurred during the financial year but relating to a subsequent financial year, together with any income which, though relating to the financial year in question, is not due until after its expiry must be shown under 'Prepayments and accrued income'. The Member States may, however, provide that such income shall be included in 'Debtors'. Where such income is material, it must be disclosed in the notes on the accounts.	/	<i>Article 18</i> <del>Expenditure incurred during the financial year but relating to a subsequent financial year, together with any income which, though relating to the financial year in question, is not due until after its expiry must be shown under 'Prepayments and accrued income'. The Member States may, however, provide that such income shall be included in 'Debtors'. Where such income is material, it must be disclosed in the notes on the accounts.</del>
	<i>Article 19</i> Value adjustments shall comprise all adjustments intended to take account of reductions in the values of individual assets established at the balance sheet date whether that reduction is final or not.	Article 2(8) (8) "value adjustment" means the adjustments intended to take account of changes in the values of individual assets established at the balance sheet date, whether the change is final or not;	Article <del>19</del> <u>2(8)</u> <del>Value adjustments shall comprise all (8) "value adjustment" means the</del> adjustments intended to take account of <del>reductions</del> <u>changes</u> in the values of individual assets established at the balance sheet date, whether <del>that reduction</del> <u>the change</u> is final or not-;
	<i>Article 20</i> 1. Provisions are intended to cover liabilities the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which they will arise.	Article 12(12), first subparagraph Special provisions relating to certain balance sheet items  12. Provisions shall cover liabilities the nature of which is clearly defined and which at the balance sheet date are either likely to be incurred or certain to be incurred, but uncertain as to their amount or as to the date on which they will arise.	Article <del>20</del> <u>12(12), first subparagraph</u> <del>4</del> <u>Special provisions relating to certain balance sheet items</u>  <u>12.</u> Provisions <del>are intended to</del> <u>shall</u> cover liabilities the nature of which is clearly defined and which at the <del>date of the</del> <u>balance sheet date</u> are either likely to be incurred, or certain to be incurred, but uncertain as to <u>their</u> amount or as to the date on which they will arise.



	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
4 <sup>th</sup>	2. The Member States may also authorize the creation of provisions intended to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which they will arise.	Article 12(12), second subparagraph The Member States may also authorise the creation of provisions intended to cover expenses the nature of which is clearly defined and which at the balance sheet date are either likely to be incurred or certain to be incurred, but uncertain as to their amount or as to the date on which they will arise.	<u>2- Article 12(12), second subparagraph</u> The Member States may also <del>authorize</del> <u>authorise</u> the creation of provisions intended to cover <del>charges which have their origin in the financial year under review or in a previous financial year,</del> <u>expenses</u> the nature of which is clearly defined and which at the <del>date of the</del> balance sheet <u>date</u> are either likely to be incurred, or certain to be incurred, but uncertain as to <u>their</u> amount or as to the date on which they will arise.
4 <sup>th</sup>	3. Provisions may not be used to adjust the values of assets.	Article 12(12), third subparagraph At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability. Provisions shall not be used to adjust the values of assets.	<u>3- Article 12(12), third subparagraph</u> <u>At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability.</u> Provisions <del>may</del> <u>shall</u> not be used to adjust the values of assets.
4 <sup>th</sup>	<i>Article 21</i> Income receivable before the balance sheet date but relating to a subsequent financial year, together with any charges which, though relating to the financial year in question, will be paid only in the course of a subsequent financial year, must be shown under 'Accruals and deferred income'. The Member States may, however, provide that such charges shall be included in 'Creditors'. Where such charges are material, they must be disclosed in the notes on the accounts.	/	<u><i>Article 21</i></u> <u>Income receivable before the balance sheet date but relating to a subsequent financial year, together with any charges which, though relating to the financial year in question, will be paid only in the course of a subsequent financial year, must be shown under 'Accruals and deferred income'. The Member States may, however, provide that such charges shall be included in 'Creditors'. Where such charges are material, they must be disclosed in the notes on the accounts.-/</u>
4 <sup>th</sup>	<b>SECTION 5</b> <b>Layout of the profit and loss account</b>		<b>SECTION 5</b> <b>Layout of the profit and loss account</b>
4 <sup>th</sup>	<i>Article 22</i> For the presentation of the profit and loss account, the Member States shall prescribe one or more of the layouts provided for in Articles 23 to 26. If a Member State prescribes more than one layout, it may allow companies to choose from among them.	Article 13(1) Presentation of the profit and loss account 1. For the presentation of the profit and loss account, Member States shall prescribe one or both of the layouts set out in Annexes V and VI.	Article <del>22</del> <u>23</u> (1) <u>Presentation of the profit and loss account</u> <u>1.</u> For the presentation of the profit and loss account, <del>the</del> Member States shall prescribe one or <del>more</del> <u>both</u> of the layouts <del>provided for</del> <u>set out</u> in

	Content	Examples	Explanation
		If a Member State prescribes both layouts, it may permit undertakings to choose which of the prescribed layouts to adopt.	<del>Articles 23 to 26 Annexes V and VI.</del> If a Member State prescribes <del>more than one layout</del> <u>both layouts</u> , it may <del>allow companies</del> <u>permit undertakings</u> to choose <del>from among them</del> <u>which of the prescribed layouts</u> to adopt.
4 <sup>th</sup>	By way of derogation from Article 2(1), Member States may permit or require all companies, or any classes of company, to present a statement of their performance instead of the presentation of profit and loss items in accordance with Articles 23 to 26, provided that the information given is at least equivalent to that otherwise required by those Articles.	Article 13(2) 2. By way of derogation from Article 4(1), Member States may permit or require all undertakings, or any classes of undertaking, to present a statement of their performance instead of the presentation of profit and loss items in accordance with Annexes V and VI, provided that the information given is at least equivalent to that otherwise required by Annexes V and VI.	<u>Article 13(2)</u> <u>2.</u> By way of derogation from Article <u>24</u> (1), Member States may permit or require all <del>companies</del> <u>undertakings</u> , or any classes of <del>company</del> <u>undertaking</u> , to present a statement of their performance instead of the presentation of profit and loss items in accordance with <del>Articles 23 to 26 Annexes V and VI</del> , provided that the information given is at least equivalent to that otherwise required by <del>those Articles Annexes V and VI</del> .
4 <sup>th</sup>	<u>Article 23</u> 1. Net turnover. 2. Variation in stocks of finished goods and in work in progress. 3. Work performed by the undertaking for its own purposes and capitalized. 4. Other operating income. 5. (a) Raw materials and consumables. (b) Other external charges. 6. Staff costs: (a) wages and salaries; (b) social security costs, with a separate indication of those relating to pensions. 7. (a) Value adjustments in respect of formation expenses and of tangible and intangible fixed assets. (b) Value adjustments in respect of current assets, to the extent that they exceed the amount of value adjustments which are normal in the undertaking concerned. 8. Other operating charges. 9. Income from participating interests, with a separate indication of that derived from affiliated	<u>Annex V, items 1 to 15</u> ANNEX V LAYOUT OF THE PROFIT AND LOSS ACCOUNT – BY NATURE OF EXPENSE, PROVIDED FOR IN ARTICLE 13 1. Net turnover. 2. Variation in stocks of finished goods and in work in progress. 3. Work performed by the undertaking for its own purposes and capitalised. 4. Other operating income. 5. (a) Raw materials and consumables. (b) Other external expenses. 6. Staff costs: (a) wages and salaries; (b) social security costs, with a separate indication of those relating to pensions. 7. (a) Value adjustments in respect of formation	<u>Article 23</u> <u>Annex V, items 1 to 15</u> <u>ANNEX V</u> <u>LAYOUT OF THE PROFIT AND LOSS ACCOUNT – BY NATURE OF EXPENSE, PROVIDED FOR IN ARTICLE 13</u> 1. Net turnover. 2. Variation in stocks of finished goods and in work in progress. 3. Work performed by the undertaking for its own purposes and <del>capitalized</del> <u>capitalised</u> . 4. Other operating income. 5. (a) Raw materials and consumables. (b) Other external <del>charges</del> <u>expenses</u> . 6. Staff costs: (a) wages and salaries; (b) social security costs, with a separate indication of those relating to pensions.

	Content	Examples	Explanation
	<p>undertakings.</p> <p>10. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings.</p> <p>11. Other interest receivable and similar income, with a separate indication of that derived from affiliated undertakings.</p> <p>12. Value adjustments in respect of financial assets and of investments held as current assets.</p> <p>13. Interest payable and similar charges, with a separate indication of those concerning affiliated undertakings.</p> <p>14. Tax on profit or loss on ordinary activities.</p> <p>15. Profit or loss on ordinary activities after taxation.</p>	<p>expenses and of tangible and intangible fixed assets.</p> <p>(b) Value adjustments in respect of current assets, to the extent that they exceed the amount of value adjustments which are normal in the undertaking concerned.</p> <p>8. Other operating expenses.</p> <p>9. Income from participating interests, with a separate indication of that derived from affiliated undertakings.</p> <p>10. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings.</p> <p>11. Other interest receivable and similar income, with a separate indication of that derived from affiliated undertakings.</p> <p>12. Value adjustments in respect of financial assets and of investments held as current assets.</p> <p>13. Interest payable and similar expenses, with a separate indication of amounts payable to affiliated undertakings.</p> <p>14. Tax on profit or loss.</p> <p>15. Profit or loss after taxation.</p>	<p>7. (a) Value adjustments in respect of formation expenses and of tangible and intangible fixed assets.</p> <p>(b) Value adjustments in respect of current assets, to the extent that they exceed the amount of value adjustments which are normal in the undertaking concerned.</p> <p>8. Other operating <del>charges-expenses.</del></p> <p>9. Income from participating interests, with a separate indication of that derived from affiliated undertakings.</p> <p>10. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings.</p> <p>11. Other interest receivable and similar income, with a separate indication of that derived from affiliated undertakings.</p> <p>12. Value adjustments in respect of financial assets and of investments held as current assets.</p> <p>13. Interest payable and similar <del>charges-expenses,</del> with a separate indication of <del>those concerning amounts payable to</del> affiliated undertakings.</p> <p>14. Tax on profit or loss <del>on ordinary activities.</del></p> <p>15. Profit or loss <del>on ordinary activities</del> after taxation.</p>
4 <sup>th</sup>	<p>16. Extraordinary income.</p> <p>17. Extraordinary charges.</p> <p>18. Extraordinary profit or loss.</p> <p>19. Tax on extraordinary profit or loss.</p>	/	<p><del>16. Extraordinary income.</del></p> <p><del>17. Extraordinary charges.</del></p> <p><del>18. Extraordinary profit or loss.</del></p> <p><del>19. Tax on extraordinary profit or loss./</del></p>
4 <sup>th</sup>	<p>20. Other taxes not shown under the above items.</p> <p>21. Profit or loss for the financial year.</p>	<p>16. Other taxes not shown under items 1 to 15.</p> <p>17. Profit or loss for the financial year.</p>	<p><del>20</del>16. Other taxes not shown under <del>the above</del> items- <u>1 to 15.</u></p> <p><del>21</del>17. Profit or loss for the financial year.</p>
4 <sup>th</sup>	<p><i>Article 24</i></p> <p><b>A. Charges</b></p>	/	<p><i>Article 24</i></p> <p><b>A. Charges</b></p>

	Content	Examples	Explanation
	<p>1. Reduction in stocks of finished goods and in work in progress:</p> <p>2. (a) raw materials and consumables; (b) other external charges.</p> <p>3. Staff costs: (a) wages and salaries; (b) social security costs, with a separate indication of those relating to pensions.</p> <p>4. (a) Value adjustments in respect of formation expenses and of tangible and intangible fixed assets. (b) Value adjustments in respect of current assets, to the extent that they exceed the amount of value adjustments which are normal in the undertaking concerned.</p> <p>5. Other operating charges.</p> <p>6. Value adjustments in respect of financial assets and of investments held as current assets.</p> <p>7. Interest payable and similar charges, with a separate indication of those concerning affiliated undertakings.</p> <p>8. Tax on profit or loss on ordinary activities.</p> <p>9. Profit or loss on ordinary activities after taxation.</p> <p>10. Extraordinary charges.</p> <p>11. Tax on extraordinary profit or loss.</p> <p>12. Other taxes not shown under the above items.</p> <p>13. Profit or loss for the financial year.</p> <p><b>B. Income</b></p> <p>1. Net turnover.</p> <p>2. Increase in stocks of finished goods and in work in progress.</p> <p>3. Work performed by the undertaking for its own purposes and capitalized.</p> <p>4. Other operating income.</p> <p>5. Income from participating interests, with a separate indication of that derived from affiliated undertakings.</p> <p>6. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings.</p> <p>7. Other interest receivable and similar income, with a separate indication of that derived from affiliated undertakings.</p> <p>8. Profit or loss on ordinary activities after taxation.</p>		<p><del>1. Reduction in stocks of finished goods and in work in progress:</del></p> <p><del>2. (a) raw materials and consumables; (b) other external charges.</del></p> <p><del>3. Staff costs: (a) wages and salaries; (b) social security costs, with a separate indication of those relating to pensions.</del></p> <p><del>4. (a) Value adjustments in respect of formation expenses and of tangible and intangible fixed assets. (b) Value adjustments in respect of current assets, to the extent that they exceed the amount of value adjustments which are normal in the undertaking concerned.</del></p> <p><del>5. Other operating charges.</del></p> <p><del>6. Value adjustments in respect of financial assets and of investments held as current assets.</del></p> <p><del>7. Interest payable and similar charges, with a separate indication of those concerning affiliated undertakings.</del></p> <p><del>8. Tax on profit or loss on ordinary activities.</del></p> <p><del>9. Profit or loss on ordinary activities after taxation.</del></p> <p><del>10. Extraordinary charges.</del></p> <p><del>11. Tax on extraordinary profit or loss.</del></p> <p><del>12. Other taxes not shown under the above items.</del></p> <p><del>13. Profit or loss for the financial year.</del></p> <p><b>B. Income</b></p> <p><del>1. Net turnover.</del></p> <p><del>2. Increase in stocks of finished goods and in work in progress.</del></p> <p><del>3. Work performed by the undertaking for its own purposes and capitalized.</del></p> <p><del>4. Other operating income.</del></p> <p><del>5. Income from participating interests, with a separate indication of that derived from affiliated undertakings.</del></p> <p><del>6. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings.</del></p> <p><del>7. Other interest receivable and similar income, with a separate indication of that derived from affiliated undertakings.</del></p> <p><del>8. Profit or loss on ordinary activities after taxation.</del></p>

	Content	Examples	Explanation
	9. Extraordinary income. 10. Profit or loss for the financial year.		<del>9. Extraordinary income.</del> <del>10. Profit or loss for the financial year./</del>
4 <sup>th</sup>	Article 25, items 1 to 13 1. Net turnover. 2. Cost of sales (including value adjustments). 3. Gross profit or loss. 4. Distribution costs (including value adjustments). 5. Administrative expenses (including value adjustments). 6. Other operating income. 7. Income from participating interests, with a separate indication of that derived from affiliated undertakings. 8. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings. 9. Other interest receivable and similar income with a separate indication of that derived from affiliated undertakings. 10. Value adjustments in respect of financial assets and of investments held as current assets. 11. Interest payable and similar charges, with a separate indication of those concerning affiliated undertakings. 12. Tax on profit or loss on ordinary activities. 13. Profit or loss on ordinary activities after taxation.	Annex VI, items 1 to 13 LAYOUT OF THE PROFIT AND LOSS ACCOUNT – BY FUNCTION OF EXPENSE, PROVIDED FOR IN ARTICLE 13 1. Net turnover. 2. Cost of sales (including value adjustments). 3. Gross profit or loss. 4. Distribution costs (including value adjustments). 5. Administrative expenses (including value adjustments). 6. Other operating income. 7. Income from participating interests, with a separate indication of that derived from affiliated undertakings. 8. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings. 9. Other interest receivable and similar income, with a separate indication of that derived from affiliated undertakings. 10. Value adjustments in respect of financial assets and of investments held as current assets. 11. Interest payable and similar expenses, with a separate indication of amounts payable to affiliated undertakings. 12. Tax on profit or loss. 13. Profit or loss after taxation.	Annex VI, items 1 to 13 <del>Article 25, items 1 to 13</del> <del>LAYOUT OF THE PROFIT AND LOSS ACCOUNT – BY FUNCTION OF EXPENSE, PROVIDED FOR IN ARTICLE 13</del> 1. Net turnover. 2. Cost of sales (including value adjustments). 3. Gross profit or loss. 4. Distribution costs (including value adjustments). 5. Administrative expenses (including value adjustments). 6. Other operating income. 7. Income from participating interests, with a separate indication of that derived from affiliated undertakings. 8. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings. 9. Other interest receivable and similar income, with a separate indication of that derived from affiliated undertakings. 10. Value adjustments in respect of financial assets and of investments held as current assets. 11. Interest payable and similar <del>charges</del> expenses, with a separate indication of <del>those concerning</del> amounts payable to affiliated undertakings. 12. Tax on profit or loss <del>on ordinary activities.</del> 13. Profit or loss <del>on ordinary activities</del> after taxation.
4 <sup>th</sup>	14. Extraordinary income. 15. Extraordinary charges. 16. Extraordinary profit or loss.	/	<del>14. Extraordinary income.</del> <del>15. Extraordinary charges.</del> <del>16. Extraordinary profit or loss.</del>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	17. Tax on extraordinary profit or loss.		<del>17. Tax on extraordinary profit or loss./</del>
	18. Other taxes not shown under the above items. 19. Profit or loss for the financial year.	Annex VI, items 14 and 15 14. Other taxes not shown under items 1 to 13. 15. Profit or loss for the financial year.	<del>14. Other taxes not shown under the above items- 1 to 13.</del> <del>15. Profit or loss for the financial year.</del> <u>18 Annex VI, items 14 and 15</u>
4 <sup>th</sup>	<i>Article 26</i> <b>A. Charges</b> 1. Cost of sales (including value adjustments). 2. Distribution costs (including value adjustments). 3. Administrative expenses (including value adjustments). 4. Value adjustments in respect of financial assets and of investments held as current assets. 5. Interest payable and similar charges, with a separate indication of those concerning affiliated undertakings. 6. Tax on profit or loss on ordinary activities. 7. Profit or loss on ordinary activities after taxation. 8. Extraordinary charges. 9. Tax on extraordinary profit or loss. 10. Other taxes not shown under the above items. 11. Profit or loss for the financial year. <b>B. Income</b> 1. Net turnover. 2. Other operating income. 3. Income from participating interests, with a separate indication of that derived from affiliated undertakings. 4. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings. 5. Other interest receivable and similar income with a separate indication of that derived from affiliated undertakings. 6. Profit or loss on ordinary activities after taxation. 7. Extraordinary income. 8. Profit or loss for the financial year.	/	<i>Article 26</i> <del><b>A. Charges</b></del> <del>1. Cost of sales (including value adjustments).</del> <del>2. Distribution costs (including value adjustments).</del> <del>3. Administrative expenses (including value adjustments).</del> <del>4. Value adjustments in respect of financial assets and of investments held as current assets.</del> <del>5. Interest payable and similar charges, with a separate indication of those concerning affiliated undertakings.</del> <del>6. Tax on profit or loss on ordinary activities.</del> <del>7. Profit or loss on ordinary activities after taxation.</del> <del>8. Extraordinary charges.</del> <del>9. Tax on extraordinary profit or loss.</del> <del>10. Other taxes not shown under the above items.</del> <del>11. Profit or loss for the financial year.</del> <del><b>B. Income</b></del> <del>1. Net turnover.</del> <del>2. Other operating income.</del> <del>3. Income from participating interests, with a separate indication of that derived from affiliated undertakings.</del> <del>4. Income from other investments and loans forming part of the fixed assets, with a separate indication of that derived from affiliated undertakings.</del> <del>5. Other interest receivable and similar income with a separate indication of that derived from affiliated undertakings.</del> <del>6. Profit or loss on ordinary activities after taxation.</del> <del>7. Extraordinary income.</del> <del>8. Profit or loss for the financial year./</del>
4 <sup>th</sup>	<i>Article 27, first subparagraph, introductory wording</i>	Article 3(3) Categories of undertakings and groups	<del>Article 27, first subparagraph, introductory wording</del> <u>Article 3(3)</u>

	Content	Examples	Explanation
	<p>The Member States may permit companies which on their balance sheet dates do not exceed the limits of two of the three following criteria:</p> <ul style="list-style-type: none"> <li>— balance sheet total: EUR 17 500 000,</li> <li>— net turnover: EUR 35 000 000,</li> <li>— average number of employees during the financial year: 250</li> </ul> <p>to adopt layouts different from those prescribed in Articles 23 to 26 within the following limits:</p>	<p>3. Medium-sized undertakings shall be undertakings which are not micro-undertakings or small undertakings and which on their balance sheet dates do not exceed the limits of at least two of the three following criteria:</p> <ul style="list-style-type: none"> <li>(a) balance sheet total: EUR 20000000;</li> <li>(b) net turnover: EUR 40000000;</li> <li>(c) average number of employees during the financial year: 250.</li> </ul>	<p><del>The Member States may permit companies</del><u>Categories of undertakings and groups</u></p> <p><u>3. Medium-sized undertakings shall be undertakings which are not micro-undertakings or small undertakings and</u> which on their balance sheet dates do not exceed the limits of <u>at least</u> two of the three following criteria:</p> <ul style="list-style-type: none"> <li><del>—(a)</del> <u>balance sheet total: EUR 17-500-000, 20000000;</u></li> <li><del>—(b)</del> <u>net turnover: EUR 35-000-000, 40000000;</u></li> <li><del>—(c)</del> <u>average number of employees during the financial year: 250-</u></li> </ul> <p><del>to adopt layouts different from those prescribed in Articles 23 to 26 within the following limits:</del></p>
	<p>(a) in Article 23: 1 to 5 inclusive may be combined under one item called 'Gross profit or loss';</p> <p>(c) in Article 25: (1), (2), (3) and (6) may be combined under one item called 'Gross profit or loss';</p>	<p>Article 14(2), points (a) and (b)</p> <p>Simplifications for small and medium-sized undertakings</p> <p>2. Member States may permit small and medium-sized undertakings to draw up abridged profit and loss accounts within the following limits:</p> <ul style="list-style-type: none"> <li>(a) in Annex V, items 1 to 5 may be combined under one item called "Gross profit or loss";</li> <li>(b) in Annex VI, items 1, 2, 3 and 6 may be combined under one item called "Gross profit or loss".</li> </ul>	<p><del>(a) in Article 23: 1-5 inclusive</del> <u>(a) in Article 23: 1-5 inclusive</u> may be combined under one item called <u>"Gross profit or loss"</u>;</p> <p><del>(c) in Article 25: (1), (2), (3) and (6)</del> <u>(c) in Article 25: (1), (2), (3) and (6)</u> may be combined under one item called <u>"Gross profit or loss"</u>.</p>
	<p>(b) in Article 24: A (1), A (2) and B (1) to B (4) inclusive may be combined under one item called 'Gross profit or loss';</p> <p>(d) in Article 26, A (1), B (1) and B (2) may be combined under one item called 'Gross profit or loss'. Article 12 shall apply.</p>	/	<p><del>(b) in Article 24: A (1), A (2) and B (1) to B (4) inclusive may be combined under one item called 'Gross profit or loss';</del></p> <p><del>(d) in Article 26, A (1), B (1) and B (2) may be combined under one item called 'Gross profit or loss'. Article 12 shall apply.</del></p>

	Content	Examples	Explanation
4 <sup>th</sup>	<p>In the case of those Member States which have not adopted the euro, the amount in national currency equivalent to the amounts specified in the first paragraph shall be that obtained by applying the exchange rate published in the <i>Official Journal of the European Union</i> on the date of the entry into force of any Directive setting those amounts.</p>	<p>Article 3(9) first subparagraph</p> <p>Categories of undertakings and groups</p> <p>9. In the case of those Member States which have not adopted the euro, the amount in national currency equivalent to the amounts set out in paragraphs 1 to 7 shall be that obtained by applying the exchange rate published in the Official Journal of the European Union as at the date of the entry into force of any Directive setting those amounts.</p>	<p><u>Article 3(9) first subparagraph</u></p> <p><u>Categories of undertakings and groups</u></p> <p><u>9.</u> In the case of those Member States which have not adopted the euro, the amount in national currency equivalent to the amounts <del>specified</del><u>set out</u> <del>in the first paragraph</del><u>in paragraphs 1 to 7</u> shall be that obtained by applying the exchange rate published in the Official Journal of the European Union <del>on</del><u>as at</u> the date of the entry into force of any Directive setting those amounts.</p>
4 <sup>th</sup>	<p><b>SECTION 6</b></p> <p><b>Special provisions relating to certain items in the profit and loss account</b></p>		<p><b>SECTION 6</b></p> <p><b>Special provisions relating to certain items in the profit and loss account</b></p>
4 <sup>th</sup>	<p><i>Article 28</i></p> <p>The net turnover shall comprise the amounts derived from the sale of products and the provision of services falling within the company's ordinary activities, after deduction of sales rebates and of value added tax and other taxes directly linked to the turnover.</p>	<p>Article 2(5)</p> <p>Definitions</p> <p>(5) "net turnover" means the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover;</p>	<p>Article <del>28</del><u>2(5)</u></p> <p><del>The</del><u>The</u> <del>Definitions</del></p> <p><u>(5) "net turnover"</u> <del>shall comprise</del> <u>means</u> the amounts derived from the sale of products and the provision of services <del>falling within the company's ordinary activities, after deduction of</del> <u>after deducting</u> sales rebates and <del>of</del> value added tax and other taxes directly linked to <del>the</del> turnover<u>;</u></p>
4 <sup>th</sup>	<p><i>Article 29</i></p> <p>1. Income and charges that arise otherwise than in the course of the company's ordinary activities must be shown under 'Extraordinary income and extraordinary charges'.</p> <p>2. Unless the income and charges referred to in paragraph 1 are immaterial for the assessment of the results, explanations of their amount and nature must be given in the notes on the accounts. The same shall apply to income and charges relating to another financial year.</p>	/	<p><i>Article 29</i></p> <p><del>1. Income and charges that arise otherwise than in the course of the company's ordinary activities must be shown under 'Extraordinary income and extraordinary charges'.</del></p> <p><del>2. Unless the income and charges referred to in paragraph 1 are immaterial for the assessment of the results, explanations of their amount and nature must be given in the notes on the accounts. The same shall apply to income and charges relating to another financial year.</del></p>
4 <sup>th</sup>	<p><i>Article 30</i></p> <p>The Member States may permit taxes on the profit or loss on ordinary activities and taxes on the</p>	/	<p><i>Article 30</i></p> <p><del>The Member States may permit taxes on the profit or loss on ordinary activities and taxes on the</del></p>



	Content	Examples	Explanation
	<p>extraordinary profit or loss to be shown in total as one item in the profit and loss account before 'Other taxes not shown under the above items'. In that case, 'Profit or loss on ordinary activities after taxation' shall be omitted from the layouts prescribed in Articles 23 to 26.</p> <p>Where this derogation is applied, companies must disclose in the notes on the accounts the extent to which the taxes on the profit or loss affect the profit or loss on ordinary activities and the 'Extraordinary profit or loss'.</p>		<p><del>extraordinary profit or loss to be shown in total as one item in the profit and loss account before 'Other taxes not shown under the above items'. In that case, 'Profit or loss on ordinary activities after taxation' shall be omitted from the layouts prescribed in Articles 23 to 26.</del></p> <p><del>Where this derogation is applied, companies must disclose in the notes on the accounts the extent to which the taxes on the profit or loss affect the profit or loss on ordinary activities and the 'Extraordinary profit or loss'.</del></p>
4 <sup>th</sup>	<b>SECTION 7</b> <b>Valuation rules</b>		<b>SECTION 7</b> <b>Valuation rules</b>
4 <sup>th</sup>	<p><i>Article 31</i></p> <p>1. The Member States shall ensure that the items shown in the annual accounts are valued in accordance with the following general principles:</p> <p>(a) the company must be presumed to be carrying on its business as a going concern;</p> <p>(b) the methods of valuation must be applied consistently from one financial year to another;</p> <p>(c) valuation must be made on a prudent basis, and in particular:</p> <p>(aa) only profits made at the balance sheet date may be included,</p> <p>(bb) account must be taken of all liabilities arising in the course of the financial year concerned or of a previous one, even if such liabilities become apparent only between the date of the balance sheet and the date on which it is drawn up,</p> <p>(cc) account must be taken of all depreciation, whether the result of the financial year is a loss or a profit;</p> <p>(d) account must be taken of income and charges relating to the financial year, irrespective of the date of receipt or payment of such income or charges;</p> <p>(e) the components of asset and liability items must be valued separately;</p> <p>(f) the opening balance sheet for each financial year must correspond to the closing balance sheet for the preceding financial year.</p>	<p>Article 6(1), introductory wording and points (a) to (f)</p> <p>General financial reporting principles</p> <p>1. Items presented in the annual and consolidated financial statements shall be recognised and measured in accordance with the following general principles:</p> <p>(a) the undertaking shall be presumed to be carrying on its business as a going concern;</p> <p>(b) accounting policies and measurement bases shall be applied consistently from one financial year to the next;</p> <p>(c) recognition and measurement shall be on a prudent basis, and in particular:</p> <p>(i) only profits made at the balance sheet date may be recognised,</p> <p>(ii) all liabilities arising in the course of the financial year concerned or in the course of a previous financial year shall be recognised, even if such liabilities become apparent only between the balance sheet date and the date on which the balance sheet is drawn up, and</p> <p>(iii) all negative value adjustments shall be recognised, whether the result of the financial year is a profit or a loss;</p> <p>(d) amounts recognised in the balance sheet and</p>	<p><del>Article 31</del></p> <p><del>6(1). The Member States shall ensure that the items shown, introductory wording and points (a) to (f)</del></p> <p><u>General financial reporting principles</u></p> <p><u>1. Items presented</u> in the annual <u>accounts are valued and consolidated financial statements shall be recognised and measured</u> in accordance with the following general principles:</p> <p>(a) the <u>company must undertaking shall</u> be presumed to be carrying on its business as a going concern;</p> <p>(b) <u>the methods of valuation must accounting policies and measurement bases shall</u> be applied consistently from one financial year to <u>another; the next;</u></p> <p>(c) <u>valuation must be made recognition and measurement shall be</u> on a prudent basis, and in particular:</p> <p>(<del>aa</del>) only profits made at the balance sheet date may be <u>included recognised,</u></p> <p>(<del>bb</del>) <u>account must be taken of</u> (ii) all liabilities arising in the course of the financial year concerned or <u>in the course of</u> a previous <u>one financial year shall be recognised,</u> even if such liabilities become apparent only between the <del>date of the</del> balance sheet <u>date</u> and the date</p>

	Content	Examples	Explanation
		<p>profit and loss account shall be computed on the accrual basis;</p> <p>(e) the opening balance sheet for each financial year shall correspond to the closing balance sheet for the preceding financial year;</p> <p>(f) the components of asset and liability items shall be valued separately;</p>	<p>on which <del>it</del> <u>the balance sheet</u> is drawn up, <u>and</u></p> <p><del>(cc) account must be taken of (iii) all depreciation negative value adjustments shall be recognised,</del> whether the result of the financial year is a <del>loss</del> <u>profit</u> or a <del>profit</del> <u>loss</u>;</p> <p><del>(d) account must be taken of income and charges relating to the financial year, irrespective of the date of receipt or payment of such income or charges;</del></p> <p><u>(d) amounts recognised in the balance sheet and profit and loss account shall be computed on the accrual basis;</u></p> <p><del>(e) the components of asset and liability items must be valued separately;</del></p> <p><del>(f) the opening balance sheet for each financial year must</del> <u>shall</u> correspond to the closing balance sheet for the preceding financial year <del>;</del> <u>;</u></p> <p><u>(f) the components of asset and liability items shall be valued separately;</u></p>
4 <sup>th</sup>		<p>Article 6 (2)</p> <p>2. Notwithstanding point (g) of paragraph 1, Member States may in specific cases permit or require undertakings to perform a set-off between asset and liability items, or between income and expenditure items, provided that the amounts which are set off are specified as gross amounts in the notes to the financial statements.</p>	<p><u>Article 6 (2)</u></p> <p><u>2. Notwithstanding point (g) of paragraph 1, Member States may in specific cases permit or require undertakings to perform a set-off between asset and liability items, or between income and expenditure items, provided that the amounts which are set off are specified as gross amounts in the notes to the financial statements.</u></p>
4 <sup>th</sup>		<p>Article 6 (4)</p> <p>4. Member States may limit the scope of point (j) of paragraph 1 to presentation and disclosures.</p>	<p><u>Article 6 (4)</u></p> <p><u>4. Member States may limit the scope of point (j) of paragraph 1 to presentation and disclosures.</u></p>
4 <sup>th</sup>	<p>1a. In addition to those amounts recorded pursuant to paragraph (1)(c)(bb), Member States may permit or require account to be taken of all foreseeable liabilities and potential losses arising in the course of the financial year concerned or of a previous one, even if such liabilities or losses become apparent</p>	<p>Article 6(5)</p> <p>5. In addition to those amounts recognised in accordance with point (c)(ii) of paragraph 1, Member States may permit or require the recognition of all foreseeable liabilities and potential losses arising in the course of the</p>	<p><del>1a</del> <u>Article 6(5)</u></p> <p><u>5. In addition to those amounts recorded pursuant to recognised in accordance with point (c)(ii) of paragraph (1)(c)(bb),</u> Member States may permit or require <del>account to be taken</del> <u>the</u></p>

	Content	Examples	Explanation
	only between the date of the balance sheet and the date on which it is drawn up.	financial year concerned or in the course of a previous financial year, even if such liabilities or losses become apparent only between the balance sheet date and the date on which the balance sheet is drawn up.	<u>recognition</u> of all foreseeable liabilities and potential losses arising in the course of the financial year concerned or <u>in the course of</u> a previous <del>one</del> <u>financial year</u> , even if such liabilities or losses become apparent only between the <del>date of the</del> balance sheet <u>date</u> and the date on which <del>the</del> <u>balance sheet</u> is drawn up.
4 <sup>th</sup>	2. Departures from these general principles shall be permitted in exceptional cases. Any such departures must be disclosed in the notes on the accounts and the reasons for them given together with an assessment of their effect on the assets, liabilities, financial position and profit or loss.	<p>Article 4(4)</p> <p>General provisions</p> <p>4. Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, that provision shall be disapplied in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. The disapplication of any such provision shall be disclosed in the notes to the financial statements together with an explanation of the reasons for it and of its effect on the undertaking's assets, liabilities, financial position and profit or loss.</p> <p>The Member States may define the exceptional cases in question and lay down the relevant special rules which are to apply in those cases.</p>	<p><del>2. Departures from these general principles shall be permitted</del><u>Article 4(4)</u></p> <p><u>General provisions</u></p> <p><u>4. Where</u> in exceptional cases. <del>Any such departures must be disclosed in the notes on the application of a provision of this Directive is incompatible with the accounts obligation laid down in paragraph 3, that provision shall be disapplied in order to give a true and the reasons for them given together with an assessment of their effect on the fair view of the undertaking's</del> assets, liabilities, financial position and profit or loss. <u>The disapplication of any such provision shall be disclosed in the notes to the financial statements together with an explanation of the reasons for it and of its effect on the undertaking's assets, liabilities, financial position and profit or loss.</u></p> <p><u>The Member States may define the exceptional cases in question and lay down the relevant special rules which are to apply in those cases.</u></p>
4 <sup>th</sup>	<p>Article 32</p> <p>The items shown in the annual accounts shall be valued in accordance with Articles 34 to 42, which are based on the principle of purchase price or production cost.</p>	<p>Article 6(1), point (i)</p> <p>General financial reporting principles</p> <p>(i) items recognised in the financial statements shall be measured in accordance with the principle of purchase price or production cost</p>	<p>Article <del>32</del><u>6(1), point (i)</u></p> <p><del>The</del><u>General financial reporting principles</u></p> <p><u>(i) items shown</u><del>recognised</del> in the <del>annual accounts</del><u>financial statements</u> shall be <del>valued</del><u>measured</u> in accordance with <del>Articles 34 to 42, which are based on</del> the principle of purchase price or production cost.</p>
4 <sup>th</sup>	Article 33, introductory wording	Article 7(1)	Article <del>33</del> <u>33, introductory wording</u>

	Content	Examples	Explanation
	1. The Member States may declare to the Commission that they reserve the power, by way of derogation from Article 32 and pending subsequent coordination, to permit or require in respect of all companies or any classes of companies:	Alternative measurement basis of fixed assets at revalued amounts 1. By way of derogation from point (i) of Article 6(1), Member States may permit or require, in respect of all undertakings or any classes of undertaking, the measurement of fixed assets at revalued amounts. Where national law provides for the revaluation basis of measurement, it shall define its content and limits and the rules for its application.	<del>7(1. The Member States may declare to the Commission that they reserve the power, by)</del> <u>Alternative measurement basis of fixed assets at revalued amounts</u> <del>1. By way of derogation from point (i) of Article 32 and pending subsequent coordination, to 6(1).</del> <u>Member States may permit or require, in respect of all companies undertakings or any classes of companies; undertaking, the measurement of fixed assets at revalued amounts. Where national law provides for the revaluation basis of measurement, it shall define its content and limits and the rules for its application.</u>
4 <sup>th</sup>	(a) valuation by the replacement value method for tangible fixed assets with limited useful economic lives and for stocks; (b) valuation by methods other than that provided for in (a) which are designed to take account of inflation for the items shown in annual accounts, including capital and reserves;	/	<del>(a) valuation by the replacement value method for tangible fixed assets with limited useful economic lives and for stocks; (b) valuation by methods other than that provided for in (a) which are designed to take account of inflation for the items shown in annual accounts, including capital and reserves; /</del>
4 <sup>th</sup>	c) Revaluation of fixed assets. Where national law provides for valuation methods as indicated in (a), (b) and (c), it must define their content and limits and the rules for their application. The application of any such method, the balance sheet and profit and loss account items concerned and the method by which the values shown are calculated shall be disclosed in the notes on the accounts.	Article 7(1) 1. By way of derogation from point (i) of Article 6(1), Member States may permit or require, in respect of all undertakings or any classes of undertaking, the measurement of fixed assets at revalued amounts. Where national law provides for the revaluation basis of measurement, it shall define its content and limits and the rules for its application.	<del>e) Revaluation</del> Article 7(1) <u>1. By way of derogation from point (i) of Article 6(1), Member States may permit or require, in respect of all undertakings or any classes of undertaking, the measurement of fixed assets- at revalued amounts.</u> Where national law provides for <u>valuation methods as indicated in (a), (b) and (c); the revaluation basis of measurement,</u> it <u>must shall</u> define <u>theirits</u> content and limits and the rules for <u>theirits</u> application. <del>The application of any such method, the balance sheet and profit and loss account items concerned and the method by which the values shown are calculated shall be disclosed in the notes on the accounts.</del>
4 <sup>th</sup>	2. (a) Where paragraph 1 is applied, the amount of the difference between valuation by the method used and valuation in accordance with the general rule laid down in Article 32 must be entered in the revaluation reserve under 'Liabilities'. The treatment of this item for taxation purposes must be explained either in the balance sheet or in the notes on the accounts.	Article 7(2) 2. Where paragraph 1 is applied, the amount of the difference between measurement on a purchase price or production cost basis and measurement on a revaluation basis shall be entered in the balance sheet in the revaluation reserve under "Capital and reserves".	<u>Article 7(2)-(a))</u> <u>2. Where paragraph 1 is applied, the amount of the difference between valuation by the method used measurement on a purchase price or production cost basis and valuation in accordance with the general rule laid down in</u>

	Content	Examples	Explanation
	<p>(b) The revaluation reserve may be capitalized in whole or in part at any time.</p> <p>(c) The revaluation reserve must be reduced to the extent that the amounts transferred thereto are no longer necessary for the implementation of the valuation method used and the achievement of its purpose.</p> <p>The Member States may lay down rules governing the application of the revaluation reserve, provided that transfers to the profit and loss account from the revaluation reserve may be made only to the extent that the amounts transferred have been entered as charges in the profit and loss account or reflect increases in value which have been actually realized. These amounts must be disclosed separately in the profit and loss account. No part of the revaluation reserve may be distributed, either directly or indirectly, unless it represents gains actually realized.</p> <p>(d) Save as provided under (b) and (c) the revaluation reserve may not be reduced.</p>	<p>The revaluation reserve may be capitalised in whole or in part at any time.</p> <p>The revaluation reserve shall be reduced where the amounts transferred to that reserve are no longer necessary for the implementation of the revaluation basis of accounting. The Member States may lay down rules governing the application of the revaluation reserve, provided that transfers to the profit and loss account from the revaluation reserve may be made only where the amounts transferred have been entered as an expense in the profit and loss account or reflect increases in value which have actually been realised. No part of the revaluation reserve may be distributed, either directly or indirectly, unless it represents a gain actually realised.</p> <p>Save as provided under the second and third subparagraphs of this paragraph, the revaluation reserve may not be reduced.</p>	<p><del>Article 32 must</del> <u>measurement on a revaluation basis shall</u> be entered in the <u>balance sheet in the</u> revaluation reserve under '<u>Liabilities</u>'. <del>The treatment of this item for taxation purposes must be explained either in the balance sheet or in the notes on the accounts.</del> <u>"Capital and reserves"</u>.</p> <p><del>(b)</del> The revaluation reserve may be <del>capitalized</del> <u>capitalised</u> in whole or in part at any time.</p> <p><del>(c)</del> The revaluation reserve <del>must</del> <u>shall</u> be reduced <del>to the extent that</del> <u>where</u> the amounts transferred <del>thereto that</del> <u>reserve</u> are no longer necessary for the implementation of the <del>valuation method used and the achievement of its purpose.</del> <u>revaluation basis of accounting.</u> The Member States may lay down rules governing the application of the revaluation reserve, provided that transfers to the profit and loss account from the revaluation reserve may be made only <del>to the extent that</del> <u>where</u> the amounts transferred have been entered as <del>charges</del> <u>an expense</u> in the profit and loss account or reflect increases in value which have <del>been</del> <u>actually realized.</u> <del>These amounts must be disclosed separately in the profit and loss account</del> <u>been realised.</u> No part of the revaluation reserve may be distributed, either directly or indirectly, unless it represents <del>gains</del> <u>a gain</u> actually <del>realized</del> <u>realised.</u></p> <p><del>(d)</del> Save as provided under <del>(b)</del> <u>the second</u> and <del>(c)</del> <u>third subparagraphs of this paragraph,</u> the revaluation reserve may not be reduced.</p>
4 <sup>th</sup>	<p>Article 33(2)(a), second subparagraph</p> <p>For purposes of the application of the last subparagraph of paragraph 1, companies shall, whenever the amount of the reserve has been changed in the course of the financial year, publish in the notes on the accounts <b>inter alia</b> a table showing:</p> <p>— the amount of the revaluation reserve at the beginning of the financial year,</p>	<p>Article 16(1), point (b)</p> <p>Content of the notes to the financial statements relating to all undertakings</p> <p>(b) where fixed assets are measured at revalued amounts, a table showing:</p> <p>(i) movements in the revaluation reserve in the financial year, with an explanation of the tax</p>	<p><del>Article 33(2)(a), second subparagraph</del> <u>16(1), point (b)</u></p> <p><del>For purposes</del> <u>Content</u> of the <u>application of the last subparagraph of paragraph 1,</u> companies shall, whenever the amount of the reserve has been changed in the course of <del>notes to</del> the financial year, <del>publish in the notes on the accounts</del> <u>inter alia</u> <u>statements relating to all</u></p>

	Content	Examples	Explanation
	<ul style="list-style-type: none"> <li>— the revaluation differences transferred to the revaluation reserve during the financial year,</li> <li>— the amounts capitalized or otherwise transferred from the revaluation reserve during the financial year, the nature of any such transfer being disclosed,</li> <li>— the amount of the revaluation reserve at the end of the financial year.</li> </ul>	<p>treatment of items therein, and</p> <p>(ii) the carrying amount in the balance sheet that would have been recognised had the fixed assets not been revalued;</p>	<p><u>undertakings</u></p> <p><u>(b) where fixed assets are measured at revalued amounts</u>, a table showing:</p> <ul style="list-style-type: none"> <li>— <del>the amount of (i) movements in the revaluation reserve at the beginning of</del> <u>the revaluation reserve at the beginning of</u> the financial year, <u>with an explanation of the tax treatment of items therein, and</u></li> <li>— <del>the revaluation differences transferred to the revaluation reserve during the financial year,</del></li> <li>— <del>the amounts capitalized or otherwise transferred from the revaluation reserve during the financial year, the nature of any such transfer being disclosed,</del></li> <li>— <del>the amount of the revaluation reserve at the end of the financial year.</del> <u>(ii) the carrying amount in the balance sheet that would have been recognised had the fixed assets not been revalued;</u></li> </ul>
4 <sup>th</sup>	<p>3. Value adjustments shall be calculated each year on the basis of the value adopted for the financial year in question, save that by way of derogation from Articles 4 and 22, the Member States may permit or require that only the amount of the value adjustments arising as a result of the application of the general rule laid down in Article 32 be shown under the relevant items in the layouts prescribed in Articles 23 to 26 and that the difference arising as a result of the valuation method adopted under this Article be shown separately in the layouts. Furthermore, Articles 34 to 42 shall apply <i>mutatis mutandis</i>.</p>	<p style="text-align: center;">Article 7(3)</p> <p>Alternative measurement basis of fixed assets at revalued amounts</p> <p>3. Value adjustments shall be calculated each year on the basis of the revalued amount. However, by way of derogation from Articles 9 and 13, Member States may permit or require that only the amount of the value adjustments arising as a result of the purchase price or production cost measurement basis be shown under the relevant items in the layouts set out in Annexes V and VI and that the difference arising as a result of the measurement on a revaluation basis under this Article be shown separately in the layouts.</p>	<p style="text-align: center;"><u>Article 7(3)</u></p> <p><u>Alternative measurement basis of fixed assets at revalued amounts</u></p> <p><u>3.</u> Value adjustments shall be calculated each year on the basis of the <u>value adopted for the financial year in question, save that revalued amount.</u> However, by way of derogation from Articles <u>49</u> and <u>22, the 13</u>, Member States may permit or require that only the amount of the value adjustments arising as a result of the <u>application of the general rule laid down in Article 32 purchase price or production cost measurement basis</u> be shown under the relevant items in the layouts <u>prescribed set out in Articles 23 to 26 Annexes V and VI</u> and that the difference arising as a result of the <u>valuation method adopted measurement on a revaluation basis</u> under this Article be shown separately in the layouts. <u>Furthermore, Articles 34 to 42 shall apply mutatis mutandis.</u></p>
4 <sup>th</sup>	<p>4. Where paragraph 1 is applied, the following must</p>	<p style="text-align: center;">Article 16(1), point (b), (ii)</p> <p>Content of the notes to the financial statements</p>	<p><del>4. Where paragraph 1 is applied, the following must</del></p>

	Content	Examples	Explanation
	<p>be disclosed, either in the balance sheet or in the notes on the accounts, separately for each balance sheet item as provided for in the layouts prescribed in Articles 9 and 10, except for stocks, either:</p> <p>(a) the amount at the balance sheet date of the valuation made in accordance with the general rule laid down in Article 32 and the amount of the cumulative value adjustments; or</p> <p>(b) the amount at the balance sheet date of the difference between the valuation made in accordance with this Article and that resulting from the application of Article 32 and, where appropriate, the cumulative amount of the additional value adjustments.</p>	<p>relating to all undertakings</p> <p>(b) where fixed assets are measured at revalued amounts, a table showing:</p> <p>(i) movements in the revaluation reserve in the financial year, with an explanation of the tax treatment of items therein, and</p> <p>(ii) the carrying amount in the balance sheet that would have been recognised had the fixed assets not been revalued;</p>	<p><del>be disclosed, either in the balance sheet or in the notes on the accounts, separately for each balance sheet item as provided for in the layouts prescribed in Articles 9 and 10, except for stocks, either:</del></p> <p><del>(a) the amount at the balance sheet date of the valuation made in accordance with the general rule laid down in Article 32 and the amount of the cumulative value adjustments; or</del></p> <p><del>(b) the amount at the balance sheet date of the difference between the valuation made in accordance with this Article and that resulting from the application of Article 32 and, where appropriate, the cumulative amount of the additional value adjustments.</del> <u>Article 16(1), point (b), (ii)</u></p> <p><u>Content of the notes to the financial statements relating to all undertakings</u></p> <p><u>(b) where fixed assets are measured at revalued amounts, a table showing:</u></p> <p><u>(i) movements in the revaluation reserve in the financial year, with an explanation of the tax treatment of items therein, and</u></p> <p><u>(ii) the carrying amount in the balance sheet that would have been recognised had the fixed assets not been revalued.</u></p>
4 <sup>th</sup>	<p>5. Without prejudice to Article 52 the Council shall, on a proposal from the Commission and within seven years of the notification of this Directive, examine and, where necessary, amend this Article in the light of economic and monetary trends in the Community.</p>	/	<p><del>5. Without prejudice to Article 52 the Council shall, on a proposal from the Commission and within seven years of the notification of this Directive, examine and, where necessary, amend this Article in the light of economic and monetary trends in the Community. /</del></p>
4 <sup>th</sup>	<p><i>Article 34</i></p> <p>1. (a) Where national law authorizes the inclusion of formation expenses under 'Assets', they must be written off within a maximum period of five years.</p> <p>(b) In so far as formation expenses have not been completely written off, no distribution of profits shall take place unless the amount of the reserves available for distribution and profits brought forward is at least equal to that of the expenses not written off.</p> <p>2. The amounts entered under 'Formation expenses' must be explained in the notes on the accounts.</p>	<p><i>Article 12 (11), fourth subparagraph</i></p> <p>Special provisions relating to certain balance sheet items</p> <p>Where national law authorises the inclusion of formation expenses under "Assets", they shall be written off within a period of maximum five years. In that case, Member States shall require that the third subparagraph apply mutatis mutandis to formation expenses.</p>	<p><i>Article 3412 (11), fourth subparagraph</i></p> <p><del>1. (a) Special provisions relating to certain balance sheet items</del></p> <p>Where national law <del>authorizes</del><u>authorises</u> the inclusion of formation expenses under <del>'Assets'</del><u>"Assets"</u>, they <del>must</del><u>shall</u> be written off within a <del>maximum</del><u>maximum</u> period of <del>maximum</del><u>maximum</u> five years.</p> <p><del>(b) In so far as that case, Member States shall require that the third subparagraph apply mutatis mutandis to formation expenses have not been completely written off, no distribution of profits shall take place</del></p>

	Content	Examples	Explanation
			<del>unless the amount of the reserves available for distribution and profits brought forward is at least equal to that of the expenses not written off. 2. The amounts entered under 'Formation expenses' must be explained in the notes on the accounts.</del>
4 <sup>th</sup>	Article 35 1. (a) Fixed assets must be valued at purchase price or production cost, without prejudice to (b) and (c) below.	Article 6(1), point (i) General financial reporting principles (i) items recognised in the financial statements shall be measured in accordance with the principle of purchase price or production cost	Article 35 <del>6(1)-(a) Fixed assets must,</del> point (i) General financial reporting principles (i) items recognised in the financial statements shall be <del>valued at</del> measured in accordance with the principle of purchase price or production cost, <del>without prejudice to (b) and (c) below.</del>
4 <sup>th</sup>	(b) The purchase price or production cost of fixed assets with limited useful economic lives must be reduced by value adjustments calculated to write off the value of such assets systematically over their useful economic lives.	Article 12(5) Special provisions relating to certain balance sheet items 5. The purchase price or production cost or revalued amount, where Article 7(1) applies, of fixed assets with limited useful economic lives shall be reduced by value adjustments calculated to write off the value of such assets systematically over their useful economic lives.	<del>(b)</del> Article 12(5) Special provisions relating to certain balance sheet items 5. The purchase price or production cost <del>or revalued amount, where Article 7(1) applies,</del> of fixed assets with limited useful economic lives <del>must</del> shall be reduced by value adjustments calculated to write off the value of such assets systematically over their useful economic lives.
4 <sup>th</sup>	(c) (aa) Value adjustments may be made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. (bb) Value adjustments must be made in respect of fixed assets, whether their useful economic lives are limited or not, so that they are valued at the lower figure to be attributed to them at the balance sheet date if it is expected that the reduction in their value will be permanent. (cc) The value adjustments referred to in (aa) and (bb) must be charged to the profit and loss account and disclosed separately in the notes on the accounts if they have not been shown separately in the profit and loss account. (dd) Valuation at the lower of the values provided for in (aa) and (bb) may not be continued if the reasons	6. Value adjustments to fixed assets shall be subject to the following: (a) Member States may permit or require value adjustments to be made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date; (b) value adjustments shall be made in respect of fixed assets, whether their useful economic lives are limited or not, so that they are valued at the lower figure to be attributed to them at the balance sheet date if it is expected that the reduction in their value will be permanent; (c) the value adjustments referred to in points (a) and (b) shall be charged to the profit and loss account and disclosed separately in the	<del>(c)-(aa)</del> 6. Value adjustments <u>to fixed assets shall be subject to the following:</u> (a) Member States <u>may permit or require value adjustments to</u> be made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date= <del>;</del> ( <del>bb</del> ) <del>Value</del> value adjustments <del>must</del> shall be made in respect of fixed assets, whether their useful economic lives are limited or not, so that they are valued at the lower figure to be attributed to them at the balance sheet date if it is expected that the reduction in their value will be permanent= <del>;</del> ( <del>cc</del> ) <del>The</del> the value adjustments referred to in



	Content	Examples	Explanation
	for which the value adjustments were made have ceased to apply.	notes to the financial statements if they have not been shown separately in the profit and loss account;  (d) Measurement at the lower of the values provided for in points (a) and (b) may not continue if the reasons for which the value adjustments were made have ceased to apply; this provision shall not apply to value adjustments made in respect of goodwill.	<del>(a) points (a) and (b) must</del> <u>shall</u> be <del>charged</del> <u>charged</u> to the profit and loss account and disclosed separately in the notes <del>on</del> <u>to</u> the <del>accounts</del> <u>financial statements</u> if they have not been shown separately in the profit and loss account-;  <del>(d) Valuation</del> <u>(d) Measurement</u> at the lower of the values provided for in <del>(a) points (a) and (b)</del> may not <del>be continued</del> <u>continue</u> if the reasons for which the value adjustments were made have ceased to apply-; <u>this provision shall not apply to value adjustments made in respect of goodwill.</u>
4 <sup>th</sup>	(d) If fixed assets are the subject of exceptional value adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them shall be indicated in the notes on the accounts.	Article 17(1), point (b)  Additional disclosures for medium-sized and large undertakings and public-interest entities  (b) if fixed or current assets are the subject of value adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them;	<del>(d) If</del> <u>Article 17(1), point (b)</u>  <u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u>  <u>(b) if fixed or current</u> assets are the subject of <del>exceptional</del> value adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them <del>shall be indicated in the notes on the accounts-;</del>
4 <sup>th</sup>	2. The purchase price shall be calculated by adding to the price paid the expenses incidental thereto.	Article 2(6) Definitions  (6) "purchase price" means the price payable and any incidental expenses minus any incidental reductions in the cost of acquisition;  ;	<u>Article 2- The (6)</u> <u>Definitions</u>  <u>(6) "purchase price shall be calculated by adding to" means</u> the price <del>paid the expenses payable and any incidental thereto- expenses</del> <u>minus any incidental reductions in the cost of acquisition;</u>  ;
4 <sup>th</sup>	3. (a) The production cost shall be calculated by adding to the purchasing price of the raw materials and consumables the costs directly attributable to the product in question. (b) A reasonable proportion of the costs which are only indirectly attributable to the product in question may be added into the production costs to the extent that they relate to the period of production.	Article 2(7)  (7) "production cost" means the purchase price of raw materials, consumables and other costs directly attributable to the item in question. Member States shall permit or require the inclusion of a reasonable proportion of fixed or variable overhead costs indirectly attributable to the item in question, to the extent that they	<del>3- (a) The Article 2(7)</del> <u>(7) "production cost- shall be calculated by adding to"</u> means the <del>purchasing</del> <u>purchase</u> price of <del>the</del> raw materials <del>and</del> <u>consumables</u> <del>the</del> <u>and other</u> costs directly attributable to the <del>product</del> <u>item</u> in question.  <del>(b) A</del> <u>Member States shall permit or require the inclusion of a</u> reasonable proportion of <del>the</del> <u>fixed</u>

	Content	Examples	Explanation
		relate to the period of production. Distribution costs shall not be included;	<u>or variable overhead costs which are only indirectly attributable to the product item in question may be added into the production costs</u> to the extent that they relate to the period of production. <u>Distribution costs shall not be included;</u>
4 <sup>th</sup>	4. Interest on capital borrowed to finance the production of fixed assets may be included in the production costs to the extent that it relates to the period of production. In that event, the inclusion of such interest under 'Assets' must be disclosed in the notes on the accounts.	<p>Article 12(8) and Article 17(1), point (a)(vi)</p> <p>Special provisions relating to certain balance sheet items</p> <p>8. Member States may permit or require that interest on capital borrowed to finance the production of fixed or current assets be included within production costs, to the extent that it relates to the period of production. Any application of this provision shall be disclosed in the notes to the financial statements.</p> <p>1. In the notes to the financial statements, medium-sized and large undertakings and public-interest entities shall, in addition to the information required under Article 16 and any other provisions of this Directive, disclose information in respect of the following matters:</p> <p>(a) for the various fixed asset items:</p> <p>(vi) where interest is capitalised in accordance with Article 12(8), the amount capitalised during the financial year.</p>	<p><del>4. Interest</del> <u>Article 12(8) and Article 17(1), point (a)(vi)</u></p> <p><u>Special provisions relating to certain balance sheet items</u></p> <p><u>8. Member States may permit or require that interest on capital borrowed to finance the production of fixed or current assets may be included in the within production costs,</u> to the extent that it relates to the period of production. <u>In that event, the inclusion/Any application of such interest under 'Assets' must this provision shall be disclosed in the notes onto the financial statements.</u></p> <p><u>1. In the notes to the accounts financial statements, medium-sized and large undertakings and public-interest entities shall, in addition to the information required under Article 16 and any other provisions of this Directive, disclose information in respect of the following matters:</u></p> <p><u>(a) for the various fixed asset items:</u></p> <p><u>(vi) where interest is capitalised in accordance with Article 12(8), the amount capitalised during the financial year.</u></p>
4 <sup>th</sup>	<p><i>Article 36</i></p> <p>By way of derogation from Article 35 (1) (c) (cc), the Member States may allow investment companies within the meaning of Article 5 (2) to set off value adjustments to investments directly against 'Capital and reserves'. The amounts in question must be shown separately under 'Liabilities' in the balance</p>	/	<p><i>Article 36</i></p> <p><del>By way of derogation from /Article 35 (1) (c) (cc), the Member States may allow investment companies within the meaning of Article 5 (2) to set off value adjustments to investments directly against 'Capital and reserves'. The amounts in question must be shown separately under 'Liabilities' in the balance</del></p>

	Content	Examples	Explanation
4 <sup>th</sup>	<p>sheet.</p> <p><i>Article 37</i></p> <p>1. Article 34 shall apply to costs of research and development. In exceptional cases, however, the Member States may permit derogations from Article 34 (1) (a). In that case, they may also provide for derogations from Article 34 (1) (b). Such derogations and the reasons for them must be disclosed in the notes on the accounts.</p>	<p>Article 12(11) first, third &amp; fifth subparagraphs</p> <p>Intangible assets shall be written off over the useful economic life of the intangible asset.</p> <p>Where national law authorises the inclusion of costs of development under "Assets" and the costs of development have not been completely written off, Member States shall require that no distribution of profits take place unless the amount of the reserves available for distribution and profits brought forward is at least equal to that of the costs not written off.</p> <p>In exceptional cases, the Member States may permit derogations from the third and fourth subparagraphs. Such derogations and the reasons therefore shall be disclosed in the notes to the financial statements.</p>	<p>sheet.</p> <p>Article <del>37</del>12(11) first, third &amp; fifth subparagraphs</p> <p><del>1. Article 34</del>Intangible assets shall <del>apply to be written off over the useful economic life of the intangible asset.</del></p> <p><u>Where national law authorises the inclusion of costs of <del>research and</del> development <del>under "Assets" and the costs of development have not been completely written off, Member States shall require that no distribution of profits take place unless the amount of the reserves available for distribution and profits brought forward is at least equal to that of the costs not written off.</del></u></p> <p>In exceptional cases, <del>however,</del> the Member States may permit derogations from <del>Article 34 (1) (a). In that case, they may also provide for derogations from Article 34 (1) (b).</del>the third and fourth subparagraphs. Such derogations and the reasons <del>for them must therefore shall</del> be disclosed in the notes <del>on to</del> the <del>accounts.</del> financial statements.</p>
4 <sup>th</sup>	<p>2. Article 34 (1) (a) shall apply to goodwill. The Member States may, however, permit companies to write goodwill off systematically over a limited period exceeding five years provided that this period does not exceed the useful economic life of the asset and is disclosed in the notes on the accounts together with the supporting reasons therefore.</p>	<p>Article 12(11)</p> <p>Intangible assets shall be written off over the useful economic life of the intangible asset.</p> <p>In exceptional cases where the useful life of goodwill and development costs cannot be reliably estimated, such assets shall be written off within a maximum period set by the Member State. That maximum period shall not be shorter than five years and shall not exceed 10 years. An explanation of the period over which goodwill is written off shall be provided within the notes to the financial statements.</p>	<p>2. Article 34 (1) (a)12(11)</p> <p><del>Intangible assets shall apply to goodwill. The Member States may, however, permit companies to write goodwill be written off systematically over a limited period exceeding five years provided that this period does not exceed</del> the useful economic life of the <u>intangible</u> asset.</p> <p><u>In exceptional cases where the useful life of goodwill and <del>is disclosed in</del> development costs cannot be reliably estimated, such assets shall be written off within a maximum period set by the Member State. That maximum period shall not be shorter than five years and shall not exceed 10 years. An explanation of the period over which goodwill is written off shall be provided within the notes <del>on the accounts together with the supporting reasons therefore.</del>to the financial statements.</u></p>

	Content	Examples	Explanation
4 <sup>th</sup>	<p><i>Article 38</i></p> <p>Tangible fixed assets, raw materials and consumables which are constantly being replaced and the overall value of which is of secondary importance to the undertaking may be shown under 'Assets' at a fixed quantity and value, if the quantity, value and composition thereof do not vary materially.</p>	/	<p><i>Article 38</i></p> <p><del>Tangible fixed assets, raw materials and consumables which are constantly being replaced and the overall value of which is of secondary importance to the undertaking may be shown under 'Assets' at a fixed quantity and value, if the quantity, value and composition thereof do not vary materially.</del></p> <p>/</p>
4 <sup>th</sup>	<p><i>Article 39</i></p> <p>1. (a) Current assets must be valued at purchase price or production cost, without prejudice to (b) and (c) below.</p>	<p>Article 6(1), point (i)</p> <p>General financial reporting principles</p> <p>(i) items recognised in the financial statements shall be measured in accordance with the principle of purchase price or production cost</p>	<p><del>Article 39</del></p> <p><u>6(1)-(a) Current assets must), point (i)</u></p> <p><u>General financial reporting principles</u></p> <p><u>(i) items recognised in the financial statements shall be valued at measured in accordance with the principle of purchase price or production cost, without prejudice to (b) and (c) below.</u></p>
4 <sup>th</sup>	<p>(b) Value adjustments shall be made in respect of current assets with a view to showing them at the lower market value or, in particular circumstances, another lower value to be attributed to them at the balance sheet date.</p>	<p>Article 12(7) first subparagraph</p> <p>Special provisions relating to certain balance sheet items</p> <p>7. Value adjustments shall be made in respect of current assets with a view to showing them at the lower market value or, in particular circumstances, another lower value to be attributed to them at the balance sheet date.</p>	<p><del>(b) Article 12(7) first subparagraph</del></p> <p><u>Special provisions relating to certain balance sheet items</u></p> <p><u>7. Value adjustments shall be made in respect of current assets with a view to showing them at the lower market value or, in particular circumstances, another lower value to be attributed to them at the balance sheet date.</u></p>
4 <sup>th</sup>	<p>(c) The Member States may permit exceptional value adjustments where, on the basis of a reasonable commercial assessment, these are necessary if the valuation of these items is not to be modified in the near future because of fluctuations in value. The amount of these value adjustments must be disclosed separately in the profit and loss account or in the notes on the accounts.</p>	/	<p><del>(c) The Member States may permit exceptional value adjustments where, on the basis of a reasonable commercial assessment, these are necessary if the valuation of these items is not to be modified in the near future because of fluctuations in value. The amount of these value adjustments must be disclosed separately in the profit and loss account or in the notes on the accounts.</del></p>
4 <sup>th</sup>	<p>(d) Valuation at the lower value provided for in (b) and (c) may not be continued if the reasons for which the value adjustments were made have ceased to apply.</p>	<p>Article 12(7), second subparagraph</p> <p>Measurement at the lower value provided for in the first subparagraph may not continue if the reasons for which the value adjustments were made no longer apply.</p>	<p><del>(d) Valuation</del> <u>Article 12(7), second subparagraph</u></p> <p><u>Measurement</u> at the lower value provided for in <u>(b) and (c) the first subparagraph</u> may not <u>be continued</u> <u>continue</u> if the reasons for which the value adjustments were made <u>have ceased to</u> <u>no</u></p>

	Content	Examples	Explanation
			<u>longer</u> apply.
4 <sup>th</sup>	(e) If current assets are the subject of exceptional value adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them must be disclosed in the notes on the accounts.	Article 17(1), point (b) Additional disclosures for medium-sized and large undertakings and public-interest entities (b) if fixed or current assets are the subject of value adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them;	<del>(e) If Article 17(1), point (b)</del> <u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u> <del>(b) if fixed or</del> current assets are the subject of <del>exceptional</del> value adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them <del>must be disclosed in the notes on the accounts.</del>
4 <sup>th</sup>	2. The definitions of purchase price and of production cost given in Article 35 (2) and (3) shall apply. The Member States may also apply Article 35 (4). Distribution costs may not be included in production costs.	Article 2(6) Definitions (6) "purchase price" means the price payable and any incidental expenses minus any incidental reductions in the cost of acquisition;	<del>2. The definitions of purchase price and of production cost given in Article 35 (2) and (3) shall apply. The Member States may also apply Article 35 (4). Distribution costs may not be included in production costs.</del> <u>Article 2(6)</u> <u>Definitions</u> <u>(6) "purchase price" means the price payable and any incidental expenses minus any incidental reductions in the cost of acquisition;</u>
4 <sup>th</sup>	<u>Article 40</u> 1. The Member States may permit the purchase price or production cost of stocks of goods of the same category and all fungible items including investments to be calculated either on the basis of weighted average prices or by the 'first in, first out' (FIFO) method, the 'last in, first out' (LIFO) method, or some similar method.	Article 12(9) Special provisions relating to certain balance sheet items 9. Member States may permit the purchase price or production cost of stocks of goods of the same category and all fungible items including investments to be calculated either on the basis of weighted average prices, on the basis of the "first in, first out" (FIFO) method, the "last in, first out" (LIFO) method, or a method reflecting generally accepted best practice.	<u>Article 40</u> <del>12(9)</del> <u>1. The Special provisions relating to certain balance sheet items</u> <u>9. Member States may permit the purchase price or production cost of stocks of goods of the same category and all fungible items including investments to be calculated either on the basis of weighted average prices or by, on the basis of the "first in, first out" (FIFO) method, the "last in, first out" (LIFO) method, or some similar method, reflecting generally accepted best practice.</u>
4 <sup>th</sup>	2. Where the value shown in the balance sheet, following application of the methods of calculation specified in paragraph 1, differs materially, at the balance sheet date, from the value on the basis of		<del>2. Where the value shown in the balance sheet, following application of the methods of calculation specified in paragraph 1, differs materially, at the balance sheet date, from the value on the basis of</del>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	the last known market value prior to the balance sheet date, the amount of that difference must be disclosed in total by category in the notes on the accounts.		<del>the last known market value prior to the balance sheet date, the amount of that difference must be disclosed in total by category in the notes on the accounts.</del>
4 <sup>th</sup>	<i>Article 41</i> 1. Where the amount repayable on account of any debt is greater than the amount received, the difference may be shown as an asset. It must be shown separately in the balance sheet or in the notes on the accounts. 2. The amount of this difference must be written off by a reasonable amount each year and completely written off no later than the time of repayment of the debt.	Article 12(10) 10. Where the amount repayable on account of any debt is greater than the amount received, Member States may permit or require that the difference be shown as an asset. It shall be shown separately in the balance sheet or in the notes to the financial statements. The amount of that difference shall be written off by a reasonable amount each year and completely written off no later than at the time of repayment of the debt.	Article <del>41</del> 12(10) <del>410.</del> Where the amount repayable on account of any debt is greater than the amount received, <u>Member States may permit or require that</u> the difference <del>may</del> be shown as an asset. It <del>must</del> <u>shall</u> be shown separately in the balance sheet or in the notes <del>on</del> <u>to</u> the <del>accounts.</del> <del>2-financial statements.</del> The amount of <del>this</del> <u>that</u> difference <del>must</del> <u>shall</u> be written off by a reasonable amount each year and completely written off no later than <u>at</u> the time of repayment of the debt.
4 <sup>th</sup>	<i>Article 42</i> Provisions may not exceed in amount the sums which are necessary.	Article 12(12), third subparagraph At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability. Provisions shall not be used to adjust the values of assets.	Article <del>42</del> 12(12), third subparagraph <del>Provisions may not exceed in amount the sums which are necessary.</del> <u>At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability. Provisions shall not be used to adjust the values of assets.</u>
4 <sup>th</sup>	The provisions shown in the balance sheet under 'Other provisions' must be disclosed in the notes on the accounts if they are material.	/	<del>The provisions shown in the balance sheet under 'Other provisions' must be disclosed in the notes on the accounts if they are material./</del>
4 <sup>th</sup>		Article 8 Alternative measurement basis of fair value 1. By way of derogation from point (i) of Article 6(1) and subject to the conditions set out in this Article:	Article 8 <u>Alternative measurement basis of fair value</u> <u>1. By way of derogation from point (i) of Article 6(1) and subject to the conditions set out in this Article:</u>
4 <sup>th</sup>	<b>SECTION 7a</b> <b>Valuation at fair value</b>		<b>SECTION 7a</b> <b>Valuation at fair value</b>
4 <sup>th</sup>	<i>Article 42a</i> 1. By way of derogation from Article 32 and subject	Article 8(1), point (a) (a) Member States shall permit or require, in respect	Article <del>42a</del> <del>8(1.</del> <u>By way of derogation from Article 32 and subject</u>

	Content	Examples	Explanation
	to the conditions set out in paragraphs 2 to 4 of this Article, Member States shall permit or require in respect of all companies or any classes of companies valuation at fair value of financial instruments, including derivatives. Such permission or requirement may be restricted to consolidated accounts as defined in Directive 83/349/EEC.	of all undertakings or any classes of undertaking, the measurement of financial instruments, including derivative financial instruments, at fair value;	<del>to the conditions set out in paragraphs 2 to 4 of this Article, point (a)</del> (a) Member States shall permit or require, in respect of all <del>companies</del> undertakings or any classes of <del>companies valuation at fair value</del> undertaking, the <del>measurement</del> of financial instruments, including <del>derivatives</del> . <del>Such permission or requirement may be restricted to consolidated accounts as defined in Directive 83/349/EEC.</del> <del>derivative financial instruments, at fair value;</del>
	2. For the purpose of this Directive commodity-based contracts that give either contracting party the right to settle in cash or some other financial instrument shall be considered to be derivative financial instruments, except when: (a) they were entered into and continue to meet the company's expected purchase, sale or usage requirements; (b) they were designated for such purpose at their inception; and (c) they are expected to be settled by delivery of the commodity.	Article 8(2) 2. For the purpose of this Directive, commodity-based contracts that give either contracting party the right to settle in cash or some other financial instrument shall be considered to be derivative financial instruments, except where such contracts: (a) were entered into and continue to meet the undertaking's expected purchase, sale or usage requirements at the time they were entered into and subsequently; (b) were designated as commodity-based contracts at their inception; and (c) are expected to be settled by delivery of the commodity.	Article 8(2) 2. For the purpose of this Directive, commodity-based contracts that give either contracting party the right to settle in cash or some other financial instrument shall be considered to be derivative financial instruments, except <del>when:</del> <u>where such contracts:</u> (a) <del>they</del> were entered into and continue to meet the <del>company's undertaking's</del> expected purchase, sale or usage requirements; <u>at the time they were entered into and subsequently;</u> (b) <del>they</del> were designated <del>for such purpose as</del> <u>commodity-based contracts</u> at their inception; and (c) <del>they</del> are expected to be settled by delivery of the commodity.
4 <sup>th</sup>	3. Paragraph 1 shall apply only to liabilities that are: (a) held as part of a trading portfolio; or (b) derivative financial instruments.	Article 8(3) 3. Point (a) of paragraph 1 shall apply only to the following liabilities: (a) liabilities held as part of a trading portfolio; and (b) derivative financial instruments.	Article 8(3-Paragraph) 3. Point (a) of paragraph 1 shall apply only to <del>the following</del> liabilities <del>that are:</del> (a) <u>liabilities</u> held as part of a trading portfolio; <del>or and</del> (b) derivative financial instruments.
4 <sup>th</sup>	4. Valuation according to paragraph 1 shall not apply to: (a) to non-derivative financial instruments held to	Article 8(4) 4. Measurement according to point (a) of paragraph 1 shall not apply to the following:	Article 8(4-Valuation) 4. <u>Measurement</u> according to <u>point (a) of</u> paragraph 1 shall not apply to: <del>the following:</del>

	Content	Examples	Explanation
	maturity; (b) to loans and receivables originated by the company and not held for trading purposes; and (c) to interests in subsidiaries, associated undertakings and joint ventures, equity instruments issued by the company, contracts for contingent consideration in a business combination as well as other financial instruments with such special characteristics that the instruments, according to what is generally accepted, should be accounted for differently from other financial instruments.	(a) non-derivative financial instruments held to maturity; (b) loans and receivables originated by the undertaking and not held for trading purposes; and (c) interests in subsidiaries, associated undertakings and joint ventures, equity instruments issued by the undertaking, contracts for contingent consideration in a business combination, and other financial instruments with such special characteristics that the instruments, according to what is generally accepted, are accounted for differently from other financial instruments.	(a) <del>to</del> non-derivative financial instruments held to maturity; (b) <del>to</del> loans and receivables originated by the <u>company undertaking</u> and not held for trading purposes; and (c) <del>to</del> interests in subsidiaries, associated undertakings and joint ventures, equity instruments issued by the <u>company undertaking</u> , contracts for contingent consideration in a business combination <del>as well as, and</del> other financial instruments with such special characteristics that the instruments, according to what is generally accepted, <u>should be</u> accounted for differently from other financial instruments.
4 <sup>th</sup>	5. By way of derogation from Article 32, Member States may in respect of any assets and liabilities which qualify as hedged items under a fair value hedge accounting system, or identified portions of such assets or liabilities, permit valuation at the specific amount required under that system.	Article 8(5) 5. By way of derogation from point (i) of Article 6(1), Member States may, in respect of any assets and liabilities which qualify as hedged items under a fair value hedge accounting system, or identified portions of such assets or liabilities, permit measurement at the specific amount required under that system.	<u>Article 8(5)</u> <u>5.</u> By way of derogation from <u>point (i) of Article 32-6(1)</u> , Member States may, in respect of any assets and liabilities which qualify as hedged items under a fair value hedge accounting system, or identified portions of such assets or liabilities, permit <u>valuation measurement</u> at the specific amount required under that system.
4 <sup>th</sup>	5a. By way of derogation from the provisions of paragraphs 3 and 4, Member States may, in accordance with international accounting standards as adopted by Commission Regulation (EC) No 1725/2003 of 29 September 2003 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council <sup>(5)</sup> , as amended until 5 September 2006, permit or require valuation of financial instruments, together with the associated disclosure requirements which are provided for in	Article 8(6) 6. By way of derogation from paragraphs 3 and 4, Member States may permit or require the recognition, measurement and disclosure of financial instruments in conformity with international accounting standards adopted in accordance with Regulation (EC) No 1606/2002.	<u>5a Article 8(6)</u> <u>6.</u> By way of derogation from <u>the provisions of paragraphs 3 and 4</u> , Member States may <u>permit or require the recognition, measurement and disclosure of financial instruments</u> in <u>accordance conformity</u> with international accounting standards <u>as adopted by Commission Regulation (EC) No 1725/2003 of 29 September 2003 adopting certain international accounting standards</u> in accordance with Regulation (EC) No

<sup>5</sup> OJ L 261, 13.10.2003, p. 1. Regulation as last amended by Regulation (EC) No 108/2006 (OJ L 24, 27.1.2006, p. 1).



	Content	Examples	Explanation
	international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards <sup>(6)</sup> .		<del>1606/2002 of the European Parliament and of the Council <sup>(7)</sup>, as amended until 5 September 2006, permit or require valuation of financial instruments, together with the associated disclosure requirements which are provided for in international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards <sup>(8)</sup>.</del>
4 <sup>th</sup>	<p><i>Article 42b</i></p> <p>1. The fair value referred to in Article 42a shall be determined by reference to:</p> <p>(a) a market value, for those financial instruments for which a reliable market can readily be identified. Where a market value is not readily identifiable for an instrument but can be identified for its components or for a similar instrument, the market value may be derived from that of its components or of the similar instrument; or</p> <p>(b) a value resulting from generally accepted valuation models and techniques, for those instruments for which a reliable market cannot be readily identified. Such valuation models and techniques shall ensure a reasonable approximation of the market value.</p> <p>2. Those financial instruments that cannot be measured reliably by any of the methods described in paragraph 1, shall be measured in accordance with Articles 34 to 42.</p>	<p>Article 8(7)</p> <p>7. The fair value within the meaning of this Article shall be determined by reference to one of the following values:</p> <p>(a) in the case of financial instruments for which a reliable market can readily be identified, the market value. Where the market value is not readily identifiable for an instrument but can be identified for its components or for a similar instrument, the market value may be derived from that of its components or of the similar instrument;</p> <p>(b) in the case of financial instruments for which a reliable market cannot be readily identified, a value resulting from generally accepted valuation models and techniques, provided that such valuation models and techniques ensure a reasonable approximation of the market value.</p> <p>Financial instruments that cannot be measured reliably by any of the methods described in points (a) and (b) of the first subparagraph shall be measured in accordance with the principle of purchase price or production cost in so far as measurement on that basis is possible.</p>	<p>Article <del>42b</del><sup>8(7)</sup></p> <p><del>4</del><sup>7</sup>. The fair value <del>referred to in within the meaning of this Article 42a</del> shall be determined by reference to: <del>one of the following values:</del></p> <p>(a) <del>a market value, for those in the case of</del> financial instruments for which a reliable market can readily be identified, <del>the market value.</del> Where <del>at</del> the market value is not readily identifiable for an instrument but can be identified for its components or for a similar instrument, the market value may be derived from that of its components or of the similar instrument; <del>or</del></p> <p><del>(b)</del><sup>(b)</sup> in the case of financial instruments for which a reliable market cannot be readily identified, a value resulting from generally accepted valuation models and techniques, <del>for those instruments for which a reliable market cannot be readily identified. Such provided that</del> <del>such</del> valuation models and techniques shall ensure a reasonable approximation of the market value.</p> <p><del>2. Those financial</del><sup>Financial</sup> instruments that cannot be measured reliably by any of the</p>

<sup>6</sup> OJ L 243, 11.9.2002, p. 1.

<sup>7</sup> ~~OJ L 261, 13.10.2003, p. 1. Regulation as last amended by Regulation (EC) No 108/2006 (OJ L 24, 27.1.2006, p. 1).~~

<sup>8</sup> ~~OJ L 243, 11.9.2002, p. 1.~~

	Content	Examples	Explanation
			methods described in <u>paragraph 1, points (a) and (b) of the first subparagraph</u> shall be measured in accordance with <u>Articles 34 to 42, the principle of purchase price or production cost in so far as measurement on that basis is possible.</u>
4 <sup>th</sup>	<p><i>Article 42c</i></p> <p>1. Notwithstanding Article 31(1)(c), where a financial instrument is valued in accordance with Article 42b, a change in the value shall be included in the profit and loss account. However, such a change shall be included directly in equity, in a fair value reserve, where:</p> <p>(a) the instrument accounted for is a hedging instrument under a system of hedge accounting that allows some or all of the change in value not to be shown in the profit and loss account; or</p> <p>(b) the change in value relates to an exchange difference arising on a monetary item that forms part of a company's net investment in a foreign entity.</p> <p>2. Member States may permit or require a change in the value on an available for sale financial asset, other than a derivative financial instrument, to be included directly in equity, in the fair value reserve.</p> <p>3. The fair value reserve shall be adjusted when amounts shown therein are no longer necessary for the implementation of paragraphs 1 and 2.</p>	<p>Article 8(8)</p> <p>8. Notwithstanding point (c) of Article 6(1), where a financial instrument is measured at fair value, a change in value shall be included in the profit and loss account, except in the following cases, where such a change shall be included directly in a fair value reserve:</p> <p>(a) the instrument accounted for is a hedging instrument under a system of hedge accounting that allows some or all of the change in value not to be shown in the profit and loss account; or</p> <p>(b) the change in value relates to an exchange difference arising on a monetary item that forms part of an undertaking's net investment in a foreign entity.</p> <p>Member States may permit or require a change in the value of an available for sale financial asset, other than a derivative financial instrument, to be included directly in a fair value reserve. That fair value reserve shall be adjusted when amounts shown therein are no longer necessary for the implementation of points (a) and (b) of the first subparagraph.</p>	<p>Article <del>42c</del><b>8(8)</b></p> <p><del>48.</del> Notwithstanding <u>point (c) of Article 346(1)(c)</u>, where a financial instrument is <u>valued in accordance with Article 42b</u> measured at fair value, a change in <del>the</del> value shall be included in the profit and loss account. <del>However, except in the following cases, where</del> such a change shall be included directly in <u>equity</u>, <del>in</del> a fair value reserve, <del>where:-</del>:</p> <p>(a) the instrument accounted for is a hedging instrument under a system of hedge accounting that allows some or all of the change in value not to be shown in the profit and loss account; or</p> <p>(b) the change in value relates to an exchange difference arising on a monetary item that forms part of <del>a company's</del> <u>an undertaking's</u> net investment in a foreign entity.</p> <p><del>2-</del> Member States may permit or require a change in the value <del>or of</del> an available for sale financial asset, other than a derivative financial instrument, to be included directly in <u>equity</u>, <del>in the</del> fair value reserve.</p> <p><del>3-</del> <del>The</del> <u>That</u> fair value reserve shall be adjusted when amounts shown therein are no longer necessary for the implementation of <u>paragraphs 1 and 2, points (a) and (b) of the first subparagraph.</u></p>
4 <sup>th</sup>	<p><i>Article 42d</i></p> <p>Where valuation at fair value of financial instruments has been applied, the notes on the accounts shall disclose:</p> <p>(a) the significant assumptions underlying the</p>	<p>Article 16 (1), point (c)</p> <p>Content of the notes to the financial statements relating to all undertakings</p> <p>(c) where financial instruments and/or assets</p>	<p>Article <del>42d</del><b>16 (1), point (c)</b></p> <p><del>Where valuation at fair value</del> <u>Content of the notes to the financial statements relating to all undertakings</u></p>

	Content	Examples	Explanation
	<p>valuation models and techniques where fair values have been determined in accordance with Article 42b(1)(b);</p> <p>(b) per category of financial instruments, the fair value, the changes in value included directly in the profit and loss account as well as changes included in the fair value reserve;</p> <p>(c) for each class of derivative financial instruments, information about the extent and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows; and</p> <p>(d) a table showing movements in the fair value reserve during the financial year.</p>	<p>other than financial instruments are measured at fair value:</p> <p>(i) the significant assumptions underlying the valuation models and techniques where fair values have been determined in accordance with point (b) of Article 8(7),</p> <p>(ii) for each category of financial instrument or asset other than financial instruments, the fair value, the changes in value included directly in the profit and loss account and changes included in fair value reserves,</p> <p>(iii) for each class of derivative financial instrument, information about the extent and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows, and</p> <p>(iv) a table showing movements in fair value reserves during the financial year;</p>	<p><del>(c) where financial instruments has been applied, the notes on the accounts shall disclose: and/or assets other than financial instruments are measured at fair value:</del></p> <p>(a) the significant assumptions underlying the valuation models and techniques where fair values have been determined in accordance with <u>point (b) of Article 42b(1)(b); 8(7).</u></p> <p><del>(b) per (ii) for each</del> category of <u>financial instrument or asset other than</u> financial instruments, the fair value, the changes in value included directly in the profit and loss account <u>as well as and</u> changes included in <del>the</del> fair value <u>reserve; reserves.</u></p> <p>(e) for each class of derivative financial <del>instruments</del><u>instrument</u>, information about the extent and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows; <del>and</del></p> <p><del>(d) a table showing movements in the fair value reserve</del><u>reserves</u> during the financial year; <del>;</del></p>
4 <sup>th</sup>	<p><i>Article 42e</i></p> <p>By way of derogation from Article 32, Member States may permit or require in respect of all companies or any classes of company the valuation of specified categories of assets other than financial instruments at amounts determined by reference to fair value. Such permission or requirement may be restricted to consolidated accounts as defined in Directive 83/349/EEC.</p>	<p>Article 8(1), point (b)</p> <p>Alternative measurement basis of fair value</p> <p>(b) Member States may permit or require, in respect of all undertakings or any classes of undertaking, the measurement of specified categories of assets other than financial instruments at amounts determined by reference to fair value.</p> <p>Such permission or requirement may be restricted to consolidated financial statements.</p>	<p>Article <del>42e</del><u>8(1), point (b)</u></p> <p><del>By way of derogation from Article 32, (b)</del> Member States may permit or require, in respect of all <u>companies undertakings</u> or any classes of <u>company undertaking</u>, the <u>valuation measurement</u> of specified categories of assets other than financial instruments at amounts determined by reference to fair value.</p> <p>Such permission or requirement may be restricted to consolidated <u>accounts as defined in Directive 83/349/EEC. financial statements.</u></p>
4 <sup>th</sup>	<p><i>Article 42f</i></p> <p>Notwithstanding Article 31(1)(c), Member States may permit or require in respect of all companies or any classes of company that, where an asset is valued in</p>	<p>Article 8(9)</p> <p>9. Notwithstanding point (c) of Article 6(1), Member States may permit or require, in respect of all undertakings or any classes of undertaking,</p>	<p>Article <del>42f</del><u>8(9)</u></p> <p><u>9.</u> Notwithstanding <u>point (c) of Article 31(1)(c)</u>, Member States may permit or require, in respect of all <u>companies undertakings</u> or any classes of</p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	accordance with Article 42e, a change in the value is included in the profit and loss account.	that, where assets other than financial instruments are measured at fair value, a change in the value be included in the profit and loss account.	<del>company undertaking</del> , that, where <del>an asset is valued in accordance with Article 42e</del> assets other than financial instruments are measured at fair value, a change in the value <del>is</del> be included in the profit and loss account.
4 <sup>th</sup>	<b>SECTION 8</b> <b>Contents of the notes on the accounts</b>		<b>SECTION 8</b> <b>Contents of the notes on the accounts</b>
4 <sup>th</sup>		Article 15 General provisions concerning the notes to the financial statements Where notes to the balance sheet and profit and loss account are presented in accordance with this Chapter, the notes shall be presented in the order in which items are presented in the balance sheet and in the profit and loss account.	Article 15 <u>General provisions concerning the notes to the financial statements</u> <u>Where notes to the balance sheet and profit and loss account are presented in accordance with this Chapter, the notes shall be presented in the order in which items are presented in the balance sheet and in the profit and loss account.</u>
4 <sup>th</sup>	Article 43 1. In addition to the information required under other provisions of this Directive, the notes on the accounts must set out information in respect of the following matters at least:	Article 16(1), introductory wording Content of the notes to the financial statements relating to all undertakings 1. In the notes to the financial statements all undertakings shall, in addition to the information required under other provisions of this Directive, disclose information in respect of the following	Article 43 <u>16(1-1n), introductory wording</u> <u>Content of the notes to the financial statements relating to all undertakings</u> <u>1. In the notes to the financial statements all undertakings shall, in</u> addition to the information required under other provisions of this Directive, <del>the notes on the accounts must set out</del> disclose information in respect of the following <del>matters at least:</del>
4 <sup>th</sup>	(1) the valuation methods applied to the various items in the annual accounts, and the methods employed in calculating the value adjustments. For items included in the annual accounts which are or were originally expressed in foreign currency, the bases of conversion used to express them in local currency must be disclosed;	Article 16(1), point (a) (a) accounting policies adopted	<del>(1) the valuation methods applied to the various items in the annual accounts, and the methods employed in calculating the value adjustments. For items included in the annual accounts which are or were originally expressed in foreign currency, the bases of conversion used to express them in local currency must be disclosed;</del> Article 16(1), point (a) <u>(a) accounting policies adopted</u>
4 <sup>th</sup>	(2) the name and registered office of each of the undertakings in which the company, either itself or	Article 17(1), point (g), first subparagraph Additional disclosures for medium-sized and large undertakings and public-interest entities	<del>(2) Article 17(1), point (g), first subparagraph</del> <u>Additional disclosures for medium-sized and</u>

	Content	Examples	Explanation
	through a person acting in his own name but on the company's behalf, holds at least a percentage of the capital which the Member States cannot fix at more than 20 %, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which accounts have been adopted.	(g) the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in his own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by the undertaking.	<u>large undertakings and public-interest entities</u> (g) the name and registered office of each of the undertakings in which the <u>companyundertaking</u> , either itself or through a person acting in his own name but on the <u>company'sundertaking's</u> behalf, holds <u>at least a percentage of the capital which the Member States cannot fix at more than 20 %;participating interest</u> , showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which <u>accounts have been adopted; financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by the undertaking.</u>
4 <sup>th</sup>	This information may be omitted where for the purposes of Article 2 (3) it is of negligible importance only. The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet and less than 50 % of its capital is held (directly or indirectly) by the company; the name, the head or registered office and the legal form of each of the undertakings of which the company or firm is a member having unlimited liability. This information may be omitted where for the purposes of Article 2 (3) it is of negligible importance only;	Article 17(1), point (k) (k) the name, the head or registered office and the legal form of each of the undertakings of which the undertaking is a member having unlimited liability;	<del>This information may be omitted where for the purposes of Article 2 (3) it is of negligible importance only. The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet and less than 50 % of its capital is held (directly or indirectly) by the company;Article 17(1), point (k)</del> (k) the name, the head or registered office and the legal form of each of the undertakings of which the <u>company or firmundertaking</u> is a member having unlimited liability. <del>This information may be omitted where for the purposes of Article 2 (3) it is of negligible importance only;.</del>
4 <sup>th</sup>	(3) the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial	Article 17(1), point (h) (h) the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the	<del>(3)Article 17(1), point (h)</del> (h) the number and the nominal value or, in the absence of a nominal value, the accounting par

	Content	Examples	Explanation
	year within the limits of an authorized capital, without prejudice as far as the amount of this capital is concerned to Article 2 (1) (e) of Directive 68/151/EEC or to Article 2 (c) of Directive 77/91/EEC;	financial year within the limits of the authorised capital, without prejudice as far as the amount of that capital is concerned to point (e) of Article 2 of Directive 2009/101/EC or to points (c) and (d) of Article 2 of Directive 2012/30/EU;	value of the shares subscribed during the financial year within the limits of <del>an authorized</del> <u>the authorised</u> capital, without prejudice as far as the amount of <del>this</del> <u>that</u> capital is concerned to <u>point (e) of Article 2 (1) (e) of 2 of Directive 68/151/EEC 2009/101/EC</u> or to <u>points (c) and (d) of Article 2 (e) of Directive 77/91/EEC; 2012/30/EU</u> ;
4 <sup>th</sup>	(4) where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting par value for each class;	Article 17(1), point (i) (i) where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting par value for each class;	<del>(4</del> <u>Article 17(1), point (i)</u> (i) where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting par value for each class;
4 <sup>th</sup>	(5) the existence of any participation certificates, convertible debentures or similar securities or rights, with an indication of their number and the rights they confer;	Article 17(1), point (j) (j) the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer;	<del>(5</del> <u>Article 17(1), point (j)</u> (j) the existence of any participation certificates, convertible debentures, <u>warrants, options</u> or similar securities or rights, with an indication of their number and the rights they confer;
4 <sup>th</sup>	(6) amounts owed by the company becoming due and payable after more than five years as well as the company's entire debts covered by valuable security furnished by the company with an indication of the nature and form of the security. This information must be disclosed separately for each creditors item, as provided for in the layouts prescribed in Articles 9, 10 and 10a;	Article 16(1), point (g) Content of the notes to the financial statements relating to all undertakings (g) amounts owed by the undertaking becoming due and payable after more than five years, as well as the undertaking's entire debts covered by valuable security furnished by the undertaking, with an indication of the nature and form of the security	<del>(6</del> <u>Article 16(1), point (g)</u> <u>Content of the notes to the financial statements relating to all undertakings</u> (g) amounts owed by the <u>company undertaking</u> becoming due and payable after more than five years, as well as the <u>company's undertaking's</u> entire debts covered by valuable security furnished by the <u>company undertaking</u> , with an indication of the nature and form of the security. <u>This information must be disclosed separately for each creditors item, as provided for in the layouts prescribed in Articles 9, 10 and 10a;</u>
4 <sup>th</sup>	(7) the total amount of any financial commitments that are not included in the balance sheet, in so far as this information is of assistance in assessing the financial position. Any commitments concerning	Article 16(1), point (d) (d) the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been	<del>(7</del> <u>Article 16(1), point (d)</u> (d) the total amount of any financial commitments, <u>guarantees or contingencies</u> that are not included in the balance sheet, <u>in so far as this information is and</u>

	Content	Examples	Explanation
	pensions and affiliated undertakings must be disclosed separately;	provided; any commitments concerning pensions and affiliated or associated undertakings shall be disclosed separately;	<u>an indication of assistance in assessing the financial position. Any nature and form of any valuable security which has been provided; any commitments concerning pensions and affiliated or associated undertakings must shall be disclosed separately;</u>
4 <sup>th</sup>	(7a) the nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of the company. Member States may permit the companies referred to in Article 27 to limit the information required to be disclosed by this point to the nature and business purpose of such arrangements;	Article 17(1) , point (p) Additional disclosures for medium-sized and large undertakings and public-interest entities  (p) the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking	<del>(7a) Article 17(1) , point (p)</del> <u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u>  (p) the nature and business purpose of the <del>company's undertaking's</del> arrangements that are not included in the balance sheet and the financial impact on the <del>company undertaking</del> of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for <u>the purposes of</u> assessing the financial position of the <del>company</del> . <del>Member States may permit the companies referred to in Article 27 to limit the information required to be disclosed by this point to the nature and business purpose of such arrangements; undertaking</del>
4 <sup>th</sup>		Article 17, point (q) Additional disclosures for medium-sized and large undertakings and public-interest entities (q) the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet; and	<u>Article 17, point (q)</u> <u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u> <u>(q) the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet; and</u>
4 <sup>th</sup>	(7b) transactions which have been entered into with related parties by the company, including the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the company, if such transactions are material and have not been concluded under normal market conditions.	Article 2(3) and Article 17(1), point (r) Definitions (3) "related party" has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards [15];	<del>(7b) Article 2(3) and Article 17(1), point (r)</del> <u>Definitions</u> <u>(3) "related party" has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of</u>

	Content	Examples	Explanation
	<p>Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the company. Member States may permit the companies referred to in Article 27 to omit the disclosures prescribed in this point unless those companies are of a type referred to in Article 1(1) of Directive 77/91/EEC, in which case Member States may limit disclosure to, as a minimum, transactions entered into directly or indirectly between:</p> <p>(i) the company and its major shareholders, and</p> <p>(ii) the company and the members of the administrative, management and supervisory bodies. Member States may exempt transactions entered into between two or more members of a group provided that subsidiaries which are party to the transaction are wholly owned by such a member. 'Related party' has the same meaning as in international accounting standards adopted in accordance with Regulation (EC) No 1606/2002;</p>	<p>Additional disclosures for medium-sized and large undertakings and public-interest entities (r) transactions which have been entered into with related parties by the undertaking, including the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the undertaking. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the undertaking.</p> <p>Member States may permit or require that only transactions with related parties that have not been concluded under normal market conditions be disclosed.</p> <p>Member States may permit that transactions entered into between one or more members of a group be not disclosed, provided that subsidiaries which are party to the transaction are wholly owned by such a member.</p> <p>Member States may permit that a medium-sized undertaking limit the disclosure of transactions with related parties to transactions entered into with:</p> <p>(i) owners holding a participating interest in the undertaking;</p> <p>(ii) undertakings in which the undertaking itself has a participating interest; and</p> <p>(iii) Members of the administrative, management or supervisory bodies of the undertaking.</p>	<p><a href="#">international accounting standards [15]</a>:</p> <p><a href="#">Additional disclosures for medium-sized and large undertakings and public-interest entities (r) transactions which have been entered into with related parties by the <del>company</del>undertaking</a>, including the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the <del>company, if such transactions are material and have not been concluded under normal market conditions</del>undertaking. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the <del>company</del>undertaking.</p> <p><del>Member States may permit the companies referred to in Article 27 to omit the disclosures prescribed in this point unless those companies are of a type referred to in Article 1(1) of Directive 77/91/EEC, in which case Member States may limit disclosure to, as a minimum, transactions entered into directly or indirectly between:</del></p> <p><del>(i) the company and its major shareholders, and</del></p> <p><del>(ii) the company and the members of the administrative, management and supervisory bodies.</del></p> <p><del>Member States may exempt</del><a href="#">Member States may permit or require that only transactions with related parties that have not been concluded under normal market conditions be disclosed.</a></p> <p><a href="#">Member States may permit that</a> transactions entered into between <del>two</del>one or more members of a group <del>be not disclosed</del>, provided that subsidiaries which are party to the transaction are wholly owned by such a member.</p> <p><del>'Related party' has the same meaning as in international accounting standards adopted in</del></p>



	Content	Examples	Explanation
			<p><del>accordance with Regulation (EC) No 1606/2002;</del> Member States may permit that a medium-sized undertaking limit the disclosure of transactions with related parties to transactions entered into with:</p> <p><u>(i) owners holding a participating interest in the undertaking;</u></p> <p><u>(ii) undertakings in which the undertaking itself has a participating interest; and</u></p> <p><u>(iii) Members of the administrative, management or supervisory bodies of the undertaking.</u></p>
4 <sup>th</sup>		<p>Article 18 (1)</p> <p>Additional disclosures for large undertakings and public-interest entities</p> <p>1. In the notes to the financial statements, large undertakings and public-interest entities shall, in addition to the information required under Articles 16 and 17 and any other provisions of this Directive, disclose information in respect of the following matters:</p>	<p><u>Article 18 (1)</u></p> <p><u>Additional disclosures for large undertakings and public-interest entities</u></p> <p><u>1. In the notes to the financial statements, large undertakings and public-interest entities shall, in addition to the information required under Articles 16 and 17 and any other provisions of this Directive, disclose information in respect of the following matters:</u></p>
4 <sup>th</sup>	<p>(8) the net turnover within the meaning of Article 28, broken down by categories of activity and into geographical markets in so far as, taking account of the manner in which the sale of products and the provision of services falling within the company's ordinary activities are organized, these categories and markets differ substantially from one another;</p>	<p>Article 18(1), point (a)</p> <p>(a) the net turnover broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services are organised</p>	<p><del>(8)Article 18(1), point (a)</del></p> <p><u>(a) the net turnover within the meaning of Article 28, broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services falling within the company's ordinary activities are organized, these categories and markets differ substantially from one another;are organised</u></p>
4 <sup>th</sup>	<p>(9) the average number of persons employed during the financial year, broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken down as provided for in Article 23 (6);</p>	<p>Article 17(1), point (e)</p> <p>Additional disclosures for medium-sized and large undertakings and public-interest entities</p> <p>(e) the average number of employees during the financial year, broken down by categories and, if they are not disclosed separately in the profit and</p>	<p><del>(9)Article 17(1), point (e)</del></p> <p><u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u></p> <p><u>(e) the average number of persons employedemployees during the financial year,</u></p>

	Content	Examples	Explanation
		loss account, the staff costs relating to the financial year, broken down between wages and salaries, social security costs and pension costs	broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken down <u>as provided for in Article 23 (6); between wages and salaries, social security costs and pension costs</u>
4 <sup>th</sup>	(10) the extent to which the calculation of the profit or loss for the financial year has been affected by a valuation of the items which, by way of derogation from the principles enunciated in Articles 31 and 34 to 42c, was made in the financial year in question or in an earlier financial year with a view to obtaining tax relief. Where the influence of such a valuation on future tax charges is material, details must be disclosed;	/	<del>(10) the extent to which the calculation of the profit or loss for the financial year has been affected by a valuation of the items which, by way of derogation from the principles enunciated in Articles 31 and 34 to 42c, was made in the financial year in question or in an earlier financial year with a view to obtaining tax relief. Where the influence of such a valuation on future tax charges is material, details must be disclosed;</del>
4 <sup>th</sup>	(11) the difference between the tax charged for the financial year and for earlier financial years and the amount of tax payable in respect of those years, provided that this difference is material for purposes of future taxation. This amount may also be disclosed in the balance sheet as a cumulative amount under a separate item with an appropriate heading;	Article 17(1), point (f) (f) where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year	<del>(11) the difference between the tax charged for the financial year and for earlier financial years and the amount of tax payable in respect of those years, provided that this difference is material for purposes of future taxation. This amount may also be disclosed in the balance sheet as a cumulative amount under a separate item with an appropriate heading;</del> <u>Article 17(1), point (f)</u> (f) where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year
4 <sup>th</sup>	(12) the amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of retirement pensions for former members of those bodies, with an indication of the total for each category;	Article 17(1), point (d) first subparagraph (d) the amount of the emoluments granted in respect of, the financial year to the members of administrative, managerial and supervisory bodies by reason of their responsibilities and any commitments arising or entered into in respect of retirement pensions of former members of those bodies, with an indication of the total for each category of body.	<del>(12) Article 17(1), point (d) first subparagraph</del> <u>(d) the amount of the emoluments granted in respect of, the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of retirement pensions for former members of those bodies, with an indication of the total for each category, of body.</u>
4 <sup>th</sup>	(13) the amount of advances and credits granted to the members of the administrative, managerial and supervisory bodies, with indications of the interest rates, main conditions and any amounts repaid, as	Article 16(1), point (e) Content of the notes to the financial statements relating to all undertakings (e) the amount of advances and credits granted to	<del>(13) Article 16(1), point (e)</del> <u>Content of the notes to the financial statements relating to all undertakings</u>

	Content	Examples	Explanation
	well as commitments entered into on their behalf by way of guarantees of any kind, with an indication of the total for each category;	members of the administrative, managerial and supervisory bodies, with indications of the interest rates, main conditions and any amounts repaid or written off or waived, as well as commitments entered into on their behalf by way of guarantees of any kind, with an indication of the total for each category	<del>(e)</del> the amount of advances and credits granted to <del>the</del> members of the administrative, managerial and supervisory bodies, with indications of the interest rates, main conditions and any amounts repaid <u>or written off or waived</u> , as well as commitments entered into on their behalf by way of guarantees of any kind, with an indication of the total for each category;
4 <sup>th</sup>		Article 16, point (f) Content of the notes to the financial statements relating to all undertakings (f) the amount and nature of individual items of income or expenditure which are of exceptional size or incidence;	<u>Article 16, point (f)</u> <u>Content of the notes to the financial statements relating to all undertakings</u> <u>(f) the amount and nature of individual items of income or expenditure which are of exceptional size or incidence;</u>
4 <sup>th</sup>	(14) where valuation at fair value of financial instruments has not been applied in accordance with Section 7a: (a) for each class of derivative financial instruments: (i) the fair value of the instruments, if such a value can be determined by any of the methods prescribed in Article 42b(1); (ii) information about the extent and the nature of the instruments; and	Article 17(1), point c(i) Additional disclosures for medium-sized and large undertakings and public-interest entities (i) for each class of derivative financial instrument: - the fair value of the instruments, if such a value can be determined by any of the methods prescribed in point (a) of Article 8(7), and - information about the extent and nature of the instruments	<del>(14) where valuation at fair value of financial instruments has not been applied in accordance with Section 7a:</del> <del>(a) Article 17(1), point c(i)</del> <u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u> <u>(i) for each class of derivative financial instruments:</u> <u>(i) instrument: - the fair value of the instruments, if such a value can be determined by any of the methods prescribed in point (a) of Article 42b(1); 8(7), and</u> <u>(ii) information about the extent and the nature of the instruments; and</u>
4 <sup>th</sup>	(b) for financial fixed assets covered by Article 42a, carried at an amount in excess of their fair value and without use being made of the option to make a value adjustment in accordance with Article 35(1)(c)(aa): (i) the book value and the fair value of either the individual assets or appropriate groupings of those individual assets; (ii) the reasons for not reducing the book value,	Article 17(1), point c (ii) (ii) for financial fixed assets carried at an amount in excess of their fair value: - the book value and the fair value of either the individual assets or appropriate groupings of those individual assets, and - the reasons for not reducing the book value, including the nature of the evidence underlying the	<del>(b) Article 17(1), point c (ii)</del> <u>(ii) for financial fixed assets covered by Article 42a, carried at an amount in excess of their fair value and without use being made of the option to make a value adjustment in accordance with Article 35(1)(c)(aa):</u> <u>(i) the book value and the fair value of either the individual assets or appropriate groupings of the individual assets or</u> <u>(ii) the reasons for not reducing the book value,</u>

	Content	Examples	Explanation
	including the nature of the evidence that provides the basis for the belief that the book value will be recovered;	assumption that the book value will be recovered	those individual assets; <del>and</del> (ii) <del>the reasons for not reducing the book value, including the nature of the evidence that provides underlying the basis for the belief assumption</del> that the book value will be recovered;
4 <sup>th</sup>		Article 18 (1) Additional disclosures for large undertakings and public-interest entities 1. In the notes to the financial statements, large undertakings and public-interest entities shall, in addition to the information required under Articles 16 and 17 and any other provisions of this Directive, disclose information in respect of the following matters:	<u>Article 18 (1)</u> <u>Additional disclosures for large undertakings and public-interest entities</u> <u>1. In the notes to the financial statements, large undertakings and public-interest entities shall, in addition to the information required under Articles 16 and 17 and any other provisions of this Directive, disclose information in respect of the following matters:</u>
4 <sup>th</sup>	(15) separately, the total fees for the financial year charged by the statutory auditor or audit firm for the statutory audit of annual accounts, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services. Member States may provide that this requirement shall not apply where the company is included within the consolidated accounts required to be drawn up under Article 1 of Directive 83/349/EEC, provided that such information is given in the notes to the consolidated accounts.	Article 18(1), point (b) and Article 18(3) (b) the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements, and the total fees charged by each statutory auditor or audit firm for other assurance services, for tax advisory services and for other non-audit services. 3. Member States may provide that point (b) of paragraph 1 is not to apply to the annual financial statements of an undertaking where that undertaking is included within the consolidated financial statements required to be drawn up under Article 22, provided that such information is given in the notes to the consolidated financial statements.	<del>(15) separately;</del> <u>Article 18(1), point (b) and Article 18(3)</u> (b) the total fees for the financial year charged by <del>the each</del> statutory auditor or audit firm for the statutory audit of <del>the</del> annual <del>accounts;</del> <u>financial statements,</u> and the total fees charged <u>by each statutory auditor or audit firm</u> for other assurance services, <del>the total fees charged</del> for tax advisory services and <del>the total fees charged</del> for other non-audit services. <u>3. Member States may provide that this requirement shall point (b) of paragraph 1 is not to apply to the annual financial statements of an undertaking where the company that undertaking is included within the consolidated accounts financial statements required to be drawn up under Article 4 of Directive 83/349/EEC 22,</u> provided that such information is given in the notes to the consolidated <u>accounts financial statements.</u>
4 <sup>th</sup>	2. Pending subsequent coordination, the Member	/	<u>2. Pending subsequent coordination, the Member</u>

	Content	Examples	Explanation
	States need not apply paragraph 1 (2) to financial holding companies within the meaning of Article 5 (3).		<del>States need not apply paragraph 1 (2) to financial holding companies within the meaning of Article 5 (3).</del>
4 <sup>th</sup>	3. Member States may waive the requirement to provide the information referred to in paragraph 1 point 12 where such information makes it possible to identify the position of a specific member of such a body.	Article 17(1), point (d) second subparagraph Additional disclosures for medium-sized and large undertakings and public-interest entities Member States may waive the requirement to disclose such information where its disclosure would make it possible to identify the financial position of a specific member of such a body	<del>3-</del> <a href="#">Article 17(1), point (d) second subparagraph Additional disclosures for medium-sized and large undertakings and public-interest entities</a> Member States may waive the requirement to <del>provide the information referred to in paragraph 1 point 12 where disclose</del> such information <del>makes where its disclosure would make</del> it possible to identify the <a href="#">financial</a> position of a specific member of such a body-
4 <sup>th</sup>	<i>Article 44</i> 1. Member States may permit the companies referred to in Article 11 to draw up abridged notes on their accounts without the information required in Article 43(1)(5) to (12), (14)(a) and (15). However, the notes must disclose the information specified in Article 43(1)(6) in total for all the items concerned. 2. Member States may also permit the companies referred to in paragraph 1 to be exempted from the obligation to disclose in the notes on their accounts the information prescribed in Article 15 (3) (a) and (4), Articles 18, 21 and 29 (2), the second subparagraph of Article 30, Article 34 (2), Article 40 (2) and the second subparagraph of Article 42. 3. Article 12 shall apply.	/	<i>Article 44</i> <del>1. Member States may permit the companies referred to in Article 11 to draw up abridged notes on their accounts without the information required in Article 43(1)(5) to (12), (14)(a) and (15). However, the notes must disclose the information specified in Article 43(1)(6) in total for all the items concerned.</del> <del>2. Member States may also permit the companies referred to in paragraph 1 to be exempted from the obligation to disclose in the notes on their accounts the information prescribed in Article 15 (3) (a) and (4), Articles 18, 21 and 29 (2), the second subparagraph of Article 30, Article 34 (2), Article 40 (2) and the second subparagraph of Article 42.</del> <del>3. Article 12 shall apply.</del>
4 <sup>th</sup>	<i>Article 45</i> 1. The Member States may allow the disclosures prescribed in Article 43 (1) (2): (a) to take the form of a statement deposited in accordance with Article 3 (1) and (2) of Directive 68/151/EEC; this must be disclosed in the notes on the accounts; (b) to be omitted when their nature is such that they would be seriously prejudicial to any of the undertakings to which Article 43 (1) (2) relates. The Member States may make such omissions subject to prior administrative or judicial authorization. Any such omission must be disclosed in the notes on the accounts.	Article 17(1), point (g) second subparagraph Article 28(3) Member States may allow the information required to be disclosed by the first subparagraph of this point to take the form of a statement filed in accordance with Article 3(1) and (3) of Directive 2009/101/EC; the filing of such a statement shall be disclosed in the notes to the financial statements. Member States may also allow that information to be omitted when its nature is such that it would be seriously prejudicial to any of the undertakings to which it relates. Member States may make such omissions subject to prior administrative or judicial	<i>Article 45</i> <del>17(1-The-), point (g) second subparagraph Article 28(3)</del> Member States may allow the <del>disclosures prescribed in Article 43 (1) (2):</del> <del>(a) information required to be disclosed by the first subparagraph of this point</del> to take the form of a statement <del>deposited</del> <a href="#">filed</a> in accordance with Article 3 (1) and <del>(23)</del> of Directive <del>68/151/EEC; this must</del> <a href="#">2009/101/EC; the filing of such a statement shall</a> be disclosed in the notes <del>on the accounts;</del> <del>(b) to the financial statements. Member States may also allow that information</del> to be omitted when

	Content	Examples	Explanation
		<p>authorisation. Any such omission shall be disclosed in the notes to the financial statements</p> <p>3. Member States may allow the information required by points (a) to (d) of paragraph 2 to take the form of a statement filed in accordance with Article 3(3) of Directive 2009/101/EC. The filing of such a statement shall be disclosed in the notes to the consolidated financial statements. Member States may also allow that information to be omitted when its nature is such that its disclosure would be seriously prejudicial to any of the undertakings to which it relates. Member States may make such omissions subject to prior administrative or judicial authorisation. Any such omission shall be disclosed in the notes to the consolidated financial statements.</p>	<p><del>their</del> nature is such that <del>they</del> it would be seriously prejudicial to any of the undertakings to which <del>Article 43(1)-(2)</del> it relates. <del>The</del> Member States may make such omissions subject to prior administrative or judicial <del>authorization</del> <u>authorisation</u>. Any such omission <del>must</del> <u>shall</u> be disclosed in the notes <del>on</del> <u>to</u> the <del>accounts</del> <u>financial statements</u></p> <p><u>3. Member States may allow the information required by points (a) to (d) of paragraph 2 to take the form of a statement filed in accordance with Article 3(3) of Directive 2009/101/EC. The filing of such a statement shall be disclosed in the notes to the consolidated financial statements. Member States may also allow that information to be omitted when its nature is such that its disclosure would be seriously prejudicial to any of the undertakings to which it relates. Member States may make such omissions subject to prior administrative or judicial authorisation. Any such omission shall be disclosed in the notes to the consolidated financial statements.</u></p>
4 <sup>th</sup>	<p>2. Paragraph 1(b) shall also apply to the information specified in Article 43(1)(8). The Member States may permit the companies referred to in Article 27 to omit disclosure of the information specified in Articles 34(2) and 43(1)(8). The Member States may also permit the companies referred to in Article 27 to omit disclosure of the information specified in Article 43(1)(15), provided that such information is delivered to the public oversight system referred to in Article 32 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audit of annual accounts and consolidated accounts <sup>(9)</sup> when requested by such a public oversight system.</p>	<p>Article 18(2)</p> <p>Additional disclosures for large undertakings and public-interest entities</p> <p>2. Member States may allow the information referred to in point (a) of paragraph 1 to be omitted where the disclosure of that information would be seriously prejudicial to the undertaking. Member States may make such omissions subject to prior administrative or judicial authorisation. Any such omission shall be disclosed in the notes to the financial statements.</p>	<p><del>2. Paragraph 1(b) shall also apply to the information specified in Article 43(1)(8).</del></p> <p><del>The</del> <u>Article 18(2)</u></p> <p><u>Additional disclosures for large undertakings and public-interest entities</u></p> <p><u>2. Member States may <del>permit</del> <u>allow</u> the <del>companies</del> <u>information</u> referred to in <del>Article 27</del> <u>to omit</u> <del>point (a) of paragraph 1</del> <u>to be omitted</u> <del>where the</del> <u>disclosure of the</u> <del>that</del> <u>information specified in Articles 34(2) and 43(1)(8).</u> <del>It</del> <u>would be seriously prejudicial to the undertaking.</u> Member States may <del>also permit</del> <u>make such omissions subject to prior administrative or judicial authorisation. Any such</u></u></p>

<sup>9</sup> OJ L 157, 9.6.2006, p. 87.

	Content	Examples	Explanation
			<p><del>omission shall be disclosed in the companies referred notes to in Article 27 to omit disclosure of the information specified in Article 43(1)(15), provided that such information is delivered to the public oversight system referred to in Article 32 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audit of annual accounts and consolidated accounts <sup>(10)</sup> when requested by such a public oversight system. financial statements.</del></p>
4 <sup>th</sup>		<p>Article 16, point (h), (2) &amp; (3)</p> <p>Content of the notes to the financial statements relating to all undertakings</p> <p>(h) the average number of employees during the financial year.</p> <p>2. Member States may require mutatis mutandis that small undertakings are to disclose information as required in points (a), (m), (p), (q) and (r) of Article 17(1).</p> <p>For the purposes of applying the first subparagraph, the information required in point (p) of Article 17(1) shall be limited to the nature and business purpose of the arrangements referred to in that point.</p> <p>For the purposes of applying the first subparagraph, the disclosure of the information required in point (r) of Article 17(1) shall be limited to transactions entered into with the parties listed in the fourth subparagraph of that point.</p> <p>3. Member States shall not require disclosure for small undertakings beyond what is required or permitted by this Article.</p>	<p><u>Article 16, point (h), (2) &amp; (3)</u></p> <p><u>Content of the notes to the financial statements relating to all undertakings</u></p> <p><u>(h) the average number of employees during the financial year.</u></p> <p><u>2. Member States may require mutatis mutandis that small undertakings are to disclose information as required in points (a), (m), (p), (q) and (r) of Article 17(1).</u></p> <p><u>For the purposes of applying the first subparagraph, the information required in point (p) of Article 17(1) shall be limited to the nature and business purpose of the arrangements referred to in that point.</u></p> <p><u>For the purposes of applying the first subparagraph, the disclosure of the information required in point (r) of Article 17(1) shall be limited to transactions entered into with the parties listed in the fourth subparagraph of that point.</u></p> <p><u>3. Member States shall not require disclosure for small undertakings beyond what is required or permitted by this Article.</u></p>
4 <sup>th</sup>	<b>SECTION 9</b>		<b>SECTION 9</b>

<sup>10</sup> ~~OJ L 157, 9.6.2006, p. 87.~~

	Content	Examples	Explanation
	<b>Contents of the annual report</b>		<b>Contents of the annual report</b>
4 <sup>th</sup>	<p><i>Article 46</i></p> <p>1. (a) The annual report shall include at least a fair review of the development and performance of the company's business and of its position, together with a description of the principal risks and uncertainties that it faces.</p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the company's business and of its position, consistent with the size and complexity of the business;</p> <p>(b) To the extent necessary for an understanding of the company's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters;</p> <p>(c) In providing its analysis, the annual report shall, where appropriate, include references to and additional explanations of amounts reported in the annual accounts.</p> <p>2. The report shall also give an indication of:</p> <p>(a) any important events that have occurred since the end of the financial year;</p> <p>(b) the company's likely future development;</p> <p>(c) activities in the field of research and development;</p> <p>(d) the information concerning acquisitions of own shares prescribed by Article 22 (2) of Directive 77/91/EEC.</p> <p>(e) the existence of branches of the company;</p> <p>(f) in relation to the company's use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss,</p> <p>— the company's financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction</p>	<p><i>Article 19</i></p> <p>Contents of the management report</p> <p>1. The management report shall include a fair review of the development and performance of the undertaking's business and of its position, together with a description of the principal risks and uncertainties that it faces.</p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the undertaking's business and of its position, consistent with the size and complexity of the business.</p> <p>To the extent necessary for an understanding of the undertaking's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters. In providing the analysis, the management report shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.</p> <p>2. The management report shall also give an indication of:</p> <p>(a) the undertaking's likely future development;</p> <p>(b) activities in the field of research and development;</p> <p>(c) the information concerning acquisitions of own shares prescribed by Article 24(2) of Directive 2012/30/EU;</p> <p>(d) the existence of branches of the undertaking; and</p> <p>(e) in relation to the undertaking's use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss:</p>	<p><i>Article 46<sup>19</sup></i></p> <p><u>Contents of the management report</u></p> <p>1. <del>(a)</del> The <u>annual management</u> report shall include <u>at least</u> a fair review of the development and performance of the <u>company's undertaking's</u> business and of its position, together with a description of the principal risks and uncertainties that it faces.</p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the <u>company's undertaking's</u> business and of its position, consistent with the size and complexity of the business; <del>—</del></p> <p><del>(b)</del> To the extent necessary for an understanding of the <u>company's undertaking's</u> development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters; <del>—</del> <u>In providing the analysis, the management report shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.</u></p> <p><del>(c)</del> <u>In providing its analysis, the annual report shall, where appropriate, include references to and additional explanations of amounts reported in the annual accounts.</u></p> <p>2. The <u>management</u> report shall also give an indication of:</p> <p>(a) <del>any important events that have occurred since the end of the financial year;</del></p> <p><del>(b)</del> <u>the company's the undertaking's</u> likely future development;</p> <p><del>(c)</del> activities in the field of research and development;</p>



	Content	Examples	Explanation
	<p>for which hedge accounting is used, and — the company's exposure to price risk, credit risk, liquidity risk and cash flow risk.</p> <p>3. Member States may waive the obligation on companies covered by Article 11 to prepare annual reports, provided that the information referred to in Article 22 (2) of Directive 77/91/EEC concerning the acquisition by a company of its own shares is given in the notes to their accounts.</p> <p>4. Member States may choose to exempt companies covered by Article 27 from the obligation in paragraph 1(b) above in so far as it relates to non-financial information.</p>	<p>(i) the undertaking's financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used; and</p> <p>(ii) the undertaking's exposure to price risk, credit risk, liquidity risk and cash flow risk.</p> <p>3. Member States may exempt small undertakings from the obligation to prepare management reports, provided that they require the information referred to in Article 24(2) of Directive 2012/30/EU concerning the acquisition by an undertaking of its own shares to be given in the notes to the financial statements.</p> <p>4. Member States may exempt small and medium-sized undertakings from the obligation set out in the third subparagraph of paragraph 1 in so far as it relates to non-financial information.</p>	<p><del>(d)</del> the information concerning acquisitions of own shares prescribed by Article <del>22-24</del>(2) of Directive <del>77/91/EEC-2012/30/EU</del>;</p> <p><del>(e)</del> the existence of branches of the <del>company</del>; <del>undertaking</del>; and</p> <p><del>(f)</del> in relation to the <del>company's</del><del>undertaking's</del> use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss<del>;</del></p> <p>—(i) the <del>company's</del><del>undertaking's</del> financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used<del>;</del> and</p> <p>—(ii) the <del>company's</del><del>undertaking's</del> exposure to price risk, credit risk, liquidity risk and cash flow risk.</p> <p>3. Member States may <del>waive</del><del>exempt small undertakings from</del> the obligation <del>on companies covered by Article 11</del> to prepare <del>annual</del><del>management</del> reports, provided that <del>they</del> <del>require</del> the information referred to in Article <del>22 24</del>(2) of Directive <del>77/91/EEC-2012/30/EU</del> concerning the acquisition by <del>a company</del><del>an undertaking</del> of its own shares <del>is to be</del> given in the notes to <del>their accounts</del><del>the financial statements</del>.</p> <p>4. Member States may <del>choose to</del> exempt <del>companies covered by Article 27</del><del>small and medium-sized undertakings</del> from the obligation <del>set out in the third subparagraph of</del> paragraph <del>1(b) above</del> in so far as it relates to non-financial information.</p>
4 <sup>th</sup>	<p><i>Article 46a</i></p> <p>1. A company whose securities are admitted to trading on a regulated market within the meaning of Article 4(1), point (14) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April</p>	<p>Article 20</p> <p>Corporate governance statement</p> <p>1. Undertakings referred to in point (1)(a) of Article 2 shall include a corporate governance</p>	<p>Article <del>46a</del><del>20</del></p> <p><u>Corporate governance statement</u></p> <p>1. <del>A company whose securities are admitted to trading on</del> <u>Undertakings referred to in point (1)(a)</u></p>

	Content	Examples	Explanation
4 <sup>th</sup>	<p>2004 on markets in financial instruments <sup>(11)</sup> shall include a corporate governance statement in its annual report. That statement shall be included as a specific section of the annual report and shall contain at least the following information:</p> <p>(a) a reference to:</p> <p>(i) the corporate governance code to which the company is subject, and/or</p> <p>(ii) the corporate governance code which the company may have voluntarily decided to apply, and/or</p> <p>(iii) all relevant information about the corporate governance practices applied beyond the requirements under national law.</p> <p>Where points (i) and (ii) apply, the company shall also indicate where the relevant texts are publicly available; where point (iii) applies, the company shall make its corporate governance practices publicly available;</p> <p>(b) to the extent to which a company, in accordance with national law, departs from a corporate governance code referred to under points (a)(i) or (ii), an explanation by the company as to which parts of the corporate governance code it departs from and the reasons for doing so. Where the company has decided not to apply any provisions of a corporate governance code referred to under points (a)(i) or (ii), it shall explain its reasons for doing so;</p> <p>(c) a description of the main features of the company's internal control and risk management systems in relation to the financial reporting process;</p> <p>(d) the information required by Article 10(1), points (c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids <sup>(12)</sup>, where the company is subject to that Directive;</p> <p>(e) unless the information is already fully provided for</p>	<p>statement in their management report. That statement shall be included as a specific section of the management report and shall contain at least the following information:</p> <p>(a) a reference to the following, where applicable:</p> <p>(i) the corporate governance code to which the undertaking is subject,</p> <p>(ii) the corporate governance code which the undertaking may have voluntarily decided to apply,</p> <p>(iii) all relevant information about the corporate governance practices applied over and above the requirements of national law.</p> <p>Where reference is made to a corporate governance code referred to in points (i) or (ii), the undertaking shall also indicate where the relevant texts are publicly available. Where reference is made to the information referred to in point (iii), the undertaking shall make details of its corporate governance practices publicly available;</p> <p>(b) where an undertaking, in accordance with national law, departs from a corporate governance code referred to in points (a)(i) or (ii), an explanation by the undertaking as to which parts of the corporate governance code it departs from and the reasons for doing so; where the undertaking has decided not to refer to any provisions of a corporate governance code referred to in points (a)(i) or (ii), it shall explain its reasons for not doing so;</p> <p>(c) a description of the main features of the undertaking's internal control and risk</p>	<p><del>regulated market within the meaning</del> of Article 4(1), point (14) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments <sup>(13)</sup> shall include a corporate governance statement in <del>its annual</del> <u>their management</u> report. That statement shall be included as a specific section of the <del>annual</del> <u>management</u> report and shall contain at least the following information:</p> <p>(a) a reference to <del>the following, where applicable:</del></p> <p>(i) the corporate governance code to which the <del>company</del> <u>undertaking</u> is subject, <del>and/or</del></p> <p>(ii) the corporate governance code which the <del>company</del> <u>undertaking</u> may have voluntarily decided to apply, <del>and/or</del></p> <p>(iii) all relevant information about the corporate governance practices applied <del>beyond over and above</del> the requirements <del>under of</del> national law.</p> <p>Where <u>reference is made to a corporate governance code referred to in points (i) and/or (ii) apply,</u> the <del>company</del> <u>undertaking</u> shall also indicate where the relevant texts are publicly available; <del>where</del>. <u>Where reference is made to the information referred to in point (iii) applies,</u> the <del>company</del> <u>undertaking</u> shall make <u>details of</u> its corporate governance practices publicly available;</p> <p>(b) <del>to the extent to which a company</del> <u>where an undertaking</u>, in accordance with national law, departs from a corporate governance code</p>

<sup>11</sup> OJ L 145, 30.4.2004, p. 1.

<sup>12</sup> OJ L 142, 30.4.2004, p. 12.

<sup>13</sup> ~~OJ L 145, 30.4.2004, p. 1.~~

	Content	Examples	Explanation
4 <sup>th</sup>	<p>in national laws or regulations, the operation of the shareholder meeting and its key powers, and a description of shareholders' rights and how they can be exercised;</p> <p>(f) the composition and operation of the administrative, management and supervisory bodies and their committees.</p> <p>2. Member States may permit the information required by this Article to be set out in a separate report published together with the annual report in the manner set out in Article 47 or by means of a reference in the annual report where such document is publicly available on the company's website. In the event of a separate report, the corporate governance statement may contain a reference to the annual report where the information required in paragraph 1, point (d) is made available. Article 51(1), second subparagraph shall apply to the provisions of paragraph 1, points (c) and (d) of this Article. For the remaining information, the statutory auditor shall check that the corporate governance statement has been produced.</p> <p>3. Member States may exempt companies which have only issued securities other than shares admitted to trading on a regulated market, within the meaning of Article 4(1), point (14) of Directive 2004/39/EC, from the application of the provisions of paragraph 1, points (a), (b), (e) and (f), unless such companies have issued shares which are traded in a multilateral trading facility, within the meaning of Article 4(1), point (15) of Directive 2004/39/EC.</p>	<p>management systems in relation to the financial reporting process;</p> <p>(d) the information required by points (c), (d), (f), (h) and (i) of Article 10(1) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids [16], where the undertaking is subject to that Directive;</p> <p>(e) unless the information is already fully provided for in national law, a description of the operation of the shareholder meeting and its key powers and a description of shareholders' rights and how they can be exercised; and</p> <p>(f) the composition and operation of the administrative, management and supervisory bodies and their committees.</p> <p>2. Member States may permit the information required by paragraph 1 of this Article to be set out in:</p> <p>(a) a separate report published together with the management report in the manner set out in Article 30; or</p> <p>(b) a document publicly available on the undertaking's website, to which reference is made in the management report.</p> <p>That separate report or that document referred to in points (a) and (b), respectively, may cross-refer to the management report, where the information required by point (d) of paragraph 1 of this Article is made available in that management report.</p> <p>3. The statutory auditor or audit firm shall express an opinion in accordance with the second subparagraph of Article 34(1) regarding information prepared under points (c) and (d) of paragraph 1 of this Article and shall check that</p>	<p>referred to <del>underin</del> points (a)(i) or (ii), an explanation by the <del>companyundertaking</del> as to which parts of the corporate governance code it departs from and the reasons for doing so- <del>Where; where</del> the <del>companyundertaking</del> has decided not to <del>applyrefer to</del> any provisions of a corporate governance code referred to <del>underin</del> points (a)(i) or (ii), it shall explain its reasons for <del>not</del> doing so;</p> <p>(c) a description of the main features of the <del>company'sundertaking's</del> internal control and risk management systems in relation to the financial reporting process;</p> <p>(d) the information required by <del>Article 10(1);</del> points (c), (d), (f), (h) and (i) <del>of Article 10(1)</del> of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (<sup>14</sup>); <del>[16]</del>, where the <del>companyundertaking</del> is subject to that Directive;</p> <p>(e) unless the information is already fully provided for in national <del>laws or regulations; law,</del> <del>a description of</del> the operation of the shareholder meeting and its key powers, and a description of <del>shareholders'shareholders'</del> rights and how they can be exercised; <del>and</del></p> <p>(f) the composition and operation of the administrative, management and supervisory bodies and their committees.</p> <p>2. Member States may permit the information required by <del>paragraph 1 of</del> this Article to be set out in:</p> <p><del>(a)</del> a separate report published together with the <del>annualmanagement</del> report in the manner set out in Article <del>4730</del>; or <del>by means of a reference in the annual report where such</del></p> <p><del>(b)</del> a document <del>is</del> publicly available on the</p>

<sup>14</sup> ~~OJ L 142, 30.4.2004, p. 12.~~

	Content	Examples	Explanation
		<p>the information referred to in points (a), (b), (e) and (f) of paragraph 1 of this Article has been provided.</p> <p>4. Member States may exempt undertakings referred to in paragraph 1 which have only issued securities other than shares admitted to trading on a regulated market, within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC, from the application of points (a), (b), (e) and (f) of paragraph 1 of this Article, unless such undertakings have issued shares which are traded in a multilateral trading facility, within the meaning of point (15) of Article 4(1) of Directive 2004/39/EC.</p>	<p><del>company's undertaking's</del> website. <del>In, to which reference is made in the event of a management report.</del></p> <p><del>That</del> separate report, <del>the corporate governance statement or that document referred to in points (a) and (b), respectively,</del> may <del>contain a reference</del> cross-refer to the <del>annual management report,</del> where the information required <del>in paragraph 1, by point (d) of paragraph 1 of this Article</del> is made available. <del>Article 51(4), in that management report.</del></p> <p><del>3.</del> The statutory auditor or audit firm shall express an opinion in accordance with the second subparagraph <del>shall apply to the provisions of paragraph 1, of Article 34(1) regarding information prepared under</del> points (c) and (d) of <del>paragraph 1 of this Article.</del> <del>For the remaining information, the statutory auditor and</del> shall check that the <del>corporate governance statement</del> information referred to in points (a), (b), (e) and (f) of paragraph 1 of this Article has been <del>produced</del> provided.</p> <p><del>34.</del> Member States may exempt <del>companies</del> undertakings referred to in paragraph 1 which have only issued securities other than shares admitted to trading on a regulated market, within the meaning of <del>Article 4(4),</del> point (14) of <del>Article 4(1) of</del> Directive 2004/39/EC, from the application of <del>the provisions of paragraph 1,</del> points (a), (b), (e) and (f), <del>of paragraph 1 of this Article,</del> unless such <del>companies</del> undertakings have issued shares which are traded in a multilateral trading facility, within the meaning of <del>Article 4(4),</del> point (15) of <del>Article 4(1) of</del> Directive 2004/39/EC.</p>
4 <sup>th</sup>	SECTION 10 Publication		SECTION 10 Publication
4 <sup>th</sup>	Article 47 1. The annual accounts, duly approved, and the	Article 30(1) and (2)	Article 47 <del>30(1. The annual accounts, duly approved,) and the</del>

	Content	Examples	Explanation
4 <sup>th</sup>	<p>annual report, together with the opinion submitted by the person responsible for auditing the accounts, shall be published as laid down by the laws of each Member State in accordance with Article 3 of Directive 68/151/EEC.</p> <p>The laws of a Member State may, however, permit the annual report not to be published as stipulated above. It must be possible to obtain a copy of all or part of any such report upon request. The price of such a copy must not exceed its administrative cost.</p> <p>1a. The Member State of a company or firm referred to in Article 1 (1), second and third subparagraphs (entity concerned) may exempt that entity from publishing its accounts in accordance with Article 3 of Directive 68/151/EEC, provided that those accounts are available to the public at its head office, where:</p> <p>(a) all the members having unlimited liability of the entity concerned are the companies referred to in the first subparagraph of Article 1 (1) governed by the laws of Member States other than the Member State whose law governs that entity and none of those companies publishes the accounts of the entity concerned with its own accounts; or</p> <p>(b) all the members having unlimited liability are companies which are not governed by the laws of a Member State but which have a legal form comparable to those referred to in Directive 68/151/EEC.</p> <p>Copies of the accounts must be obtainable upon request. The price of such a copy may not exceed its administrative cost. Appropriate sanctions must be provided for failure to comply with the publication obligation imposed in this paragraph.</p>	<p>General publication requirement</p> <p>1. Member States shall ensure that undertakings publish within a reasonable period of time, which shall not exceed 12 months after the balance sheet date, the duly approved annual financial statements and the management report, together with the opinion submitted by the statutory auditor or audit firm referred to in Article 34 of this Directive, as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC.</p> <p>Member States may, however, exempt undertakings from the obligation to publish the management report where a copy of all or part of any such report can be easily obtained upon request at a price not exceeding its administrative cost.</p> <p>2. Member States may exempt an undertaking referred to in Annex II to which the coordination measures prescribed by this Directive apply by virtue of point (b) of Article 1(1) from publishing its financial statements in accordance with Article 3 of Directive 2009/101/EC, provided that those financial statements are available to the public at its head office, in the following cases:</p> <p>(a) all the members of the undertaking concerned that have unlimited liability are undertakings referred to in Annex I governed by the laws of Member States other than the Member State whose law governs that undertaking, and none of those undertakings publishes the financial statements of the undertaking concerned with its own financial statements;</p> <p>(b) all the members of the undertaking concerned that have unlimited liability are undertakings which are not governed by the laws of a Member State but which have a legal form comparable to those referred to in Directive</p>	<p><del>annual</del>(2)</p> <p><u>General publication requirement</u></p> <p><u>1. Member States shall ensure that undertakings publish within a reasonable period of time, which shall not exceed 12 months after the balance sheet date, the duly approved annual financial statements and the management report, together with the opinion submitted by the person responsible for auditing the accounts, shall be published</u> <u>statutory auditor or audit firm referred to in Article 34 of this Directive</u>, as laid down by the laws of each Member State in accordance with <u>Article 3</u> <u>Chapter 2</u> of Directive <u>68/151/EEC-2009/101/EC</u>.</p> <p><u>The laws of a Member State</u> <u>States</u> may, however, <u>permit the annual</u> <u>exempt undertakings from the obligation to publish the management report</u> <u>not to be published as stipulated above. It must be possible to obtain</u> <u>where</u> a copy of all or part of any such report <u>can be easily obtained</u> upon request. <u>The at a price of such a copy must not exceed</u> <u>exceeding</u> its administrative cost.</p> <p><u>1a. The Member State of a company or firm referred to in Article 1 (1), second and third subparagraphs (entity concerned)-2. Member States may exempt that entity</u> <u>an undertaking referred to in Annex II to which the coordination measures prescribed by this Directive apply by virtue of point (b) of Article 1(1) from publishing its accounts</u> <u>financial statements</u> in accordance with Article 3 of Directive <u>68/151/EEG2009/101/EC</u>, provided that those <u>accounts</u> <u>financial statements</u> are available to the public at its head office, <u>where:</u> <u>in the following cases:</u></p> <p>(a) all the members <u>having of the undertaking concerned that have</u> unlimited liability <u>of the entity concerned</u> are <u>the companies</u> <u>undertakings</u> referred to in <u>the first subparagraph of Article 1 (1)</u> <u>Annex I</u> governed by the laws of Member</p>

	Content	Examples	Explanation
		<p>2009/101/EC.</p> <p>Copies of the financial statements shall be obtainable upon request. The price of such a copy may not exceed its administrative cost.</p>	<p>States other than the Member State whose law governs that <del>entity undertaking</del>, and none of those <del>companies undertakings</del> publishes the <del>accounts financial statements</del> of the <del>entity undertaking</del> concerned with its own <del>accounts; or financial statements;</del></p> <p>(b) all the members <del>having of the undertaking concerned that have</del> unlimited liability are <del>companies undertakings</del> which are not governed by the laws of a Member State but which have a legal form comparable to those referred to in Directive <del>68/151/EEC; 2009/101/EC.</del></p> <p>Copies of the <del>accounts must financial statements shall</del> be obtainable upon request. The price of such a copy may not exceed its administrative cost. <del>Appropriate sanctions must be provided for failure to comply with the publication obligation imposed in this paragraph.</del></p>
4 <sup>th</sup>	<p>2. By way of derogation from paragraph 1, the Member States may permit the companies referred to in Article 11 to publish:</p> <p>(a) abridged balance sheets showing only those items preceded by letters and roman numerals in Articles 9 and 10, disclosing separately the information required in brackets in D (II) under 'Assets' and C under 'Liabilities' in Article 9 and in D (11) in Article 10, but in total for all the items concerned; and</p> <p>(b) abridged notes on their accounts in accordance with Article 44.</p> <p>Article 12 shall apply.</p> <p>In addition, the Member States may relieve such companies from the obligation to publish their profit and loss accounts and annual reports and the opinions of the persons responsible for auditing the accounts.</p>	<p>Article 31(1)</p> <p>Simplifications for small and medium-sized undertakings</p> <p>1. Member States may exempt small undertakings from the obligation to publish their profit and loss accounts and management reports.</p>	<p><del>2. By way of derogation from paragraph Article 31(1, the)</del></p> <p><u>Simplifications for small and medium-sized undertakings</u></p> <p><u>1.</u> Member States may <del>permit the companies referred to in Article 11 to publish:</del></p> <p><del>(a) abridged balance sheets showing only those items preceded by letters and roman numerals in Articles 9 and 10, disclosing separately the information required in brackets in D (II) under 'Assets' and C under 'Liabilities' in Article 9 and in D (11) in Article 10, but in total for all the items concerned; and</del></p> <p><del>(b) abridged notes on their accounts in accordance with exempt small undertakings Article 44.</del></p> <p><del>Article 12 shall apply.</del></p> <p><u>In addition, the Member States may relieve such companies from the obligation to publish their profit and loss accounts and <u>annual management reports</u> and the opinions of the persons</u></p>

	Content	Examples	Explanation
			responsible for auditing the accounts.
4 <sup>th</sup>	<p>3. The Member States may permit the companies mentioned in Article 27 to publish:</p> <p>(a) abridged balance sheets showing only those items preceded by letters and roman numerals in Articles 9 and 10 disclosing separately, either in the balance sheet or in the notes on the accounts:</p> <p>— C (I) (3), C (II) (1), (2), (3) and (4), C (III) (1), (2), (3), (4) and (7), D (II) (2), (3) and (6) and D (III) (1) and (2) under 'Assets' and C, (1), (2), (6), (7) and (9) under 'Liabilities' in Article 9,</p> <p>— C (I) (3), C (II) (1), (2), (3) and (4), C (III) (1), (2), (3), (4) and (7), D (II) (2), (3) and (6), D (III) (1) and (2), F (1), (2), (6), (7) and (9) and (I) (1), (2), (6), (7) and (9) in Article 10,</p> <p>— the information required in brackets in D (II) under 'Assets' and C under 'Liabilities' in Article 9, in total for all the items concerned and separately for D (II) (2) and (3) under 'Assets' and C (1), (2), (6), (7) and (9) under 'Liabilities',</p> <p>— the information required in brackets in D (11) in Article 10, in total for all the items concerned, and separately for D (II) (2) and (3);</p> <p>(b) abridged notes on their accounts without the information required in Article 43 (1) (5), (6), (8), (10) and (11). However, the notes on the accounts must give the information specified in Article 43 (1) (6) in total for all the items concerned.</p> <p>This paragraph shall be without prejudice to paragraph 1 in so far as it relates to the profit and loss account, the annual report and the opinion of the person responsible for auditing the accounts. Article 12 shall apply.</p>	<p>Article 31(2)</p> <p>2. Member States may permit medium-sized undertakings to publish:</p> <p>(a) abridged balance sheets showing only those items preceded by letters and roman numerals in Annexes III and IV and disclosing separately, either in the balance sheet or in the notes to the financial statements:</p> <p>(i) C (I) (3), C (II) (1), (2), (3) and (4), C (III) (1), (2), (3) and (4), D (II) (2), (3) and (6) and D (III) (1) and (2) under "Assets" and C, (1), (2), (6), (7) and (9) under "Capital, reserves and liabilities" in Annex III,</p> <p>(ii) C (I) (3), C (II) (1), (2), (3) and (4), C (III) (1), (2), (3) and (4), D (II) (2), (3) and (6), D (III) (1) and (2), F (1), (2), (6), (7) and (9) and (I) (1), (2), (6), (7) and (9) in Annex IV,</p> <p>(iii) the information required as indicated in brackets in D (II) under "Assets" and C under "Capital, reserves and liabilities" in Annex III, in total for all the items concerned and separately for D (II) (2) and (3) under "Assets" and C (1), (2), (6), (7) and (9) under "Capital, reserves and liabilities",</p> <p>(iv) the information required as indicated in brackets in D (II) in Annex IV, in total for all the items concerned, and separately for D (II) (2) and (3);</p> <p>(b) abridged notes to their financial statements without the information required in points (f) and (j) of Article 17(1).</p> <p>This paragraph shall be without prejudice to Article 30(1), in so far as that Article relates to the profit and loss account, the management report and the opinion of the statutory auditor or audit firm.</p>	<p><del>3. The</del>Article 31(2)</p> <p><u>2.</u> Member States may permit <del>the companies mentioned in Article 27</del>medium-sized <u>undertakings</u> to publish:</p> <p>(a) abridged balance sheets showing only those items preceded by letters and roman numerals in <del>Articles 9Annexes III and 10IV and</del> disclosing separately, either in the balance sheet or in the notes <del>onto</del> the <del>accounts:</del> <u>financial statements:</u></p> <p>—(i) C (I) (3), C (II) (1), (2), (3) and (4), C (III) (1), (2), (3),<del>(4)</del> and (<del>7</del>4), D (II) (2), (3) and (6) and D (III) (1) and (2) under <del>'Assets'</del>"Assets" and C, (1), (2), (6), (7) and (9) under <del>'Liabilities' in Article 9,</del>"Capital, reserves and liabilities" in <u>Annex III.</u></p> <p>—(ii) C (I) (3), C (II) (1), (2), (3) and (4), C (III) (1), (2), (3),<del>(4)</del> and (<del>7</del>4), D (II) (2), (3) and (6), D (III) (1) and (2), F (1), (2), (6), (7) and (9) and (I) (1), (2), (6), (7) and (9) in <del>Article 10,</del> <u>Annex IV.</u></p> <p>—(iii) the information required <u>as indicated</u> in brackets in D (II) under <del>'Assets'</del>"Assets" and C under <del>'Liabilities'</del>"Capital, reserves and liabilities" in <del>Article 9Annex III,</del> in total for all the items concerned and <del>sepa-rately</del><u>separately</u> for D (II) (2) and (3) under <del>'Assets'</del>"Assets" and C (1), (2), (6), (7) and (9) under <del>'Liabilities',</del>"Capital, reserves and liabilities".</p> <p>—(iv) the information required <u>as indicated</u> in brackets in D (<del>11</del>1) in <del>Article 10Annex IV,</del> in total for all the items concerned, and separately for D (II) (2) and (3);</p> <p>(b) abridged notes <del>onto</del> their <u>accounts</u><u>financial statements</u> without the information required in <u>points (f) and (j) of Article 43-17(1)-(5), (6), (8), (10) and (11).</u> However, the notes on the accounts must give the information specified in</p>

	Content	Examples	Explanation
			<p><del>Article 43 (1) (6) in total for all the items concerned.</del></p> <p>This paragraph shall be without prejudice to <del>paragraph 4</del>Article 30(1), in so far as <del>that</del> <u>Article</u> relates to the profit and loss account, the <u>annualmanagement</u> report and the opinion of the <u>person responsible for auditing the accounts: statutory auditor or audit firm.</u></p> <p><del>Article 12 shall apply.</del></p>
4 <sup>th</sup>	<p><i>Article 48</i></p> <p>Whenever the annual accounts and the annual report are published in full, they must be reproduced in the form and text on the basis of which the person responsible for auditing the accounts has drawn up his opinion. They must be accompanied by the full text of his report.</p>	<p>Article 32(1)</p> <p>Other publication requirements</p> <p>1. Where the annual financial statements and the management report are published in full, they shall be reproduced in the form and text on the basis of which the statutory auditor or audit firm has drawn up his/her/its opinion. They shall be accompanied by the full text of the audit report.</p>	<p>Article <del>48</del>32(1)</p> <p><del>Whenever</del>Other <u>publication requirements</u></p> <p><u>1. Where</u> the annual <u>accountsfinancial statements</u> and the <u>annualmanagement</u> report are published in full, they <del>must</del><u>shall</u> be reproduced in the form and text on the basis of which the <u>person responsible for auditing the accounts:statutory auditor or audit firm</u> has drawn up his/<u>her/its</u> opinion. They <del>must</del><u>shall</u> be accompanied by the full text of <u>his</u><del>the</del> <u>audit report.</u></p>
4 <sup>th</sup>	<p><i>Article 49</i></p> <p>If the annual accounts are not published in full, it must be indicated that the version published is abridged and reference must be made to the register in which the accounts have been filed in accordance with Article 47 (1). Where such filing has not yet been effected, the fact must be disclosed. The report of the person or persons responsible for auditing the annual accounts (hereinafter: the statutory auditors) shall not accompany this publication, but it shall be disclosed whether an unqualified, qualified or adverse audit opinion was expressed, or whether the statutory auditors were unable to express an audit opinion. It shall also be disclosed whether the report of the statutory auditors included a reference to any matters to which the statutory auditors drew attention by way of emphasis without qualifying the audit opinion.</p>	<p>Article 31(2)</p> <p>Simplifications for small and medium-sized undertakings</p> <p>2. If the annual financial statements are not published in full, the abridged version of those financial statements, which shall not be accompanied by the audit report, shall:</p> <p>(a) indicate that the version published is abridged;</p> <p>(b) refer to the register in which the financial statements have been filed in accordance with Article 3 of Directive 2009/101/EC or, where the financial statements have not yet been filed, disclose that fact;</p> <p>(c) disclose whether an unqualified, qualified or adverse audit opinion was expressed by the statutory auditor or audit firm, or whether the</p>	<p>Article <del>49</del>31(2)</p> <p><u>Simplifications for small and medium-sized undertakings</u></p> <p><u>2. If</u> the annual <u>accountsfinancial statements</u> are not published in full, <del>it must</del> <u>the abridged version of those financial statements, which shall not be indicated</u><del>accompanied by the audit report, shall:</del></p> <p><u>(a) indicate</u> that the version published is abridged <del>and reference must be made;</del></p> <p><u>(b) refer</u> to the register in which the <u>accountsfinancial statements</u> have been filed in accordance with Article <del>47 (1). Where such filing has</del><u>3 of Directive 2009/101/EC or, where the financial statements have</u> not yet been <del>effected, the filed, disclose that</del> <u>fact</u> <del>must be disclosed.</del> <u>The report of the person or persons responsible for auditing the annual accounts (hereinafter: the statutory auditors) shall not accompany this</u></p>



	Content	Examples	Explanation
		<p>statutory auditor or audit firm was unable to express an audit opinion;</p> <p>(d) disclose whether the audit report included a reference to any matters to which the statutory auditor or audit firm drew attention by way of emphasis without qualifying the audit opinion.</p>	<p><del>publication, but it shall be disclosed;</del></p> <p><u>(c) disclose</u> whether an unqualified, qualified or adverse audit opinion was expressed <u>by the statutory auditor or audit firm</u>, or whether the statutory <del>auditors were</del><u>auditor or audit firm was</u> unable to express an audit opinion. <del>It shall also be disclosed;</del></p> <p><u>(d) disclose</u> whether the <u>audit report of the statutory auditors</u> included a reference to any matters to which the statutory <del>auditors</del><u>auditor or audit firm</u> drew attention by way of emphasis without qualifying the audit opinion.</p>
4 <sup>th</sup>	<p><i>Article 50</i></p> <p>The following must be published together with the annual accounts, and in like manner:</p> <p>— the proposed appropriation of the profit or treatment of the loss,</p> <p>— the appropriation of the profit or treatment of the loss,</p> <p>where these items do not appear in the annual accounts.</p>	<p>Article 17(1), point (o)</p> <p>Additional disclosures for medium-sized and large undertakings and public-interest entities</p> <p>(o) the proposed appropriation of profit or treatment of loss, or where applicable, the appropriation of the profit or treatment of the loss;</p>	<p>Article <del>50</del><u>17(1), point (o)</u></p> <p><del>The following must be published together with the annual accounts, and in like manner:</del></p> <p><del>—Additional disclosures for medium-sized and large undertakings and public-interest entities</del></p> <p><u>(o) the proposed appropriation of the</u> profit or treatment of <del>the</del> loss,</p> <p><del>—or where applicable,</del> the appropriation of the profit or treatment of the loss.;</p> <p><del>where these items do not appear in the annual accounts.</del></p>
4 <sup>th</sup>	<p><i>Article 50a</i></p> <p>Annual accounts may be published in the currency in which they were drawn up and in ecus, translated at the exchange rate prevailing on the balance sheet date. That rate shall be disclosed in the notes on the accounts.</p>	/	<p><del>Article 50a</del></p> <p><del>Annual accounts may be published in the currency in which they were drawn up and in ecus, translated at the exchange rate prevailing on the balance sheet date. That rate shall be disclosed in the notes on the accounts./</del></p>
4 <sup>th</sup>	<p><b>SECTION 10A</b></p> <p><b>Duty and liability for drawing up and publishing the annual accounts and the annual report</b></p>		<p><b>SECTION 10A</b></p> <p><b>Duty and liability for drawing up and publishing the annual accounts and the annual report</b></p>
		<p>Article 33 (1)</p> <p>Responsibility and liability for drawing up and publishing the financial statements and the management report</p> <p>1. Member States shall ensure that the members of the administrative, management and</p>	<p><u>Article 33 (1)</u></p> <p><u>Responsibility and liability for drawing up and publishing the financial statements and the management report</u></p> <p><u>1. Member States shall ensure that the members of the administrative, management and</u></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
		supervisory bodies of an undertaking, acting within the competences assigned to them by national law, have collective responsibility for ensuring that:	<u>supervisory bodies of an undertaking, acting within the competences assigned to them by national law, have collective responsibility for ensuring that:</u>
4 <sup>th</sup>	<i>Article 50b</i> Member States shall ensure that the members of the administrative, management and supervisory bodies of the company have collectively the duty to ensure that the annual accounts, the annual report and, when provided separately, the corporate governance statement to be provided pursuant to Article 46a are drawn up and published in accordance with the requirements of this Directive and, where applicable, in accordance with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002. Such bodies shall act within the competences assigned to them by national law.	Article 33(1), point (a) (a) the annual financial statements, the management report and, when provided separately, the corporate governance statement	Article <del>50b</del> 33(1), point (a) <del>Member States shall ensure that the members of the administrative, management and supervisory bodies of the company have collectively the duty to ensure that the annual accounts, the annual report and, when provided separately, the corporate governance statement to be provided pursuant to Article 46a are drawn up and published in accordance with the requirements of this Directive and, where applicable, in accordance with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002. Such bodies shall act within the competences assigned to them by national law.</del> <u>(a) the annual financial statements, the management report and, when provided separately, the corporate governance statement</u>
4 <sup>th</sup>	<i>Article 50c</i> Member States shall ensure that their laws, regulations and administrative provisions on liability apply to the members of the administrative, management and supervisory bodies referred to in Article 50b, at least towards the company, for breach of the duty referred to in Article 50b.	Article 33(2) 2. Member States shall ensure that their laws, regulations and administrative provisions on liability, at least towards the undertaking, apply to the members of the administrative, management and supervisory bodies of the undertakings for breach of the duties referred to in paragraph 1.	Article <del>50c</del> 33(2) <u>2. Member States shall ensure that their laws, regulations and administrative provisions on liability, at least towards the undertaking, apply to the members of the administrative, management and supervisory bodies referred to in Article 50b, at least towards the company, of the undertakings for breach of the duty/duties referred to in Article 50b paragraph 1.</u>
4 <sup>th</sup>	<b>SECTION 11</b> <b>Auditing</b>		<b>SECTION 11</b> <b>Auditing</b>
4 <sup>th</sup>	<i>Article 51</i> 1. The annual accounts of companies shall be audited by one or more persons approved by Member States to carry out statutory audits on the basis of the Eighth Council Directive 84/253/EEC of 10 April 1984 on the approval of persons responsible	Article 34(1) General requirement 1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more statutory auditors or audit firms	Article <del>51</del> <del>34(1. The annual accounts of companies.)</del> <u>General requirement</u> <u>1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are</u>

	Content	Examples	Explanation
	for carrying out the statutory audits of accounting documents <sup>15</sup> . The statutory auditors shall also express an opinion concerning the consistency or otherwise of the annual report with the annual accounts for the same financial year.	approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC. The statutory auditor(s) or audit firm(s) shall also: (a) express an opinion on: (i) whether the management report is consistent with the financial statements for the same financial year, and (ii) whether the management report has been prepared in accordance with the applicable legal requirements; (b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.	audited by one or more <u>persons statutory auditors or audit firms</u> approved by Member States to carry out statutory audits on the basis of <del>the Eighth Council Directive 84/253/EEC of 10 April 1984 on the approval of persons responsible for carrying out the statutory audits of accounting documents</del> <sup>16</sup> <u>2006/43/EC</u> . The statutory <del>auditors</del> <u>auditor(s) or audit firm(s)</u> shall also: <u>(a) express an opinion concerning the consistency or otherwise of the annual:</u> <u>(i) whether the management report is consistent with the <del>annual accounts</del> financial statements for the same financial year, and</u> <u>(ii) whether the management report has been prepared in accordance with the applicable legal requirements;</u> <u>(b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.</u>
4 <sup>th</sup>	2. The Member States may relieve the companies referred to in Article 11 from the obligation imposed by paragraph 1. Article 12 shall apply.	/	<del>2. The Member States may relieve the companies referred to in Article 11 from the obligation imposed by paragraph 1. Article 12 shall apply.</del>
4 <sup>th</sup>	3. Where the exemption provided for in paragraph 2 is granted the Member States shall introduce appropriate sanctions into their laws for cases in which the annual accounts or the annual reports of such companies are not drawn up in accordance with the requirements of this Directive.	/	<del>3. Where the exemption provided for in paragraph 2 is granted the Member States shall introduce appropriate sanctions into their laws for cases in which the annual accounts or the annual reports of such companies are not drawn up in accordance with the requirements of this Directive.</del>
4 <sup>th</sup>	Article 51a	Article 35	Article <del>51a</del> <u>35</u>

<sup>15</sup> OJ L 126, 12.5.1984, p. 20.

<sup>16</sup> ~~OJ L 126, 12.5.1984, p. 20.~~

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
4 <sup>th</sup>	<p>1. The report of the statutory auditors shall include:</p> <p>(a) an introduction which shall at least identify the annual accounts that are the subject of the statutory audit, together with the financial reporting framework that has been applied in their preparation;</p> <p>(b) a description of the scope of the statutory audit which shall at least identify the auditing standards in accordance with which the statutory audit was conducted;</p> <p>(c) an audit opinion which shall state clearly the opinion of the statutory auditors as to whether the annual accounts give a true and fair view in accordance with the relevant financial reporting framework and, where appropriate, whether the annual accounts comply with statutory requirements; the audit opinion shall be either unqualified, qualified, an adverse opinion or, if the statutory auditors are unable to express an audit opinion, a disclaimer of opinion;</p> <p>(d) a reference to any matters to which the statutory auditors draw attention by way of emphasis without qualifying the audit opinion;</p> <p>(e) an opinion concerning the consistency or otherwise of the annual report with the annual accounts for the same financial year.</p> <p>2. The report shall be signed and dated by the statutory auditors.</p>	<p>1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more statutory auditors or audit firms approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC.</p> <p>The statutory auditor(s) or audit firm(s) shall also:</p> <p>(a) express an opinion on:</p> <p>(i) whether the management report is consistent with the financial statements for the same financial year, and</p> <p>(ii) whether the management report has been prepared in accordance with the applicable legal requirements;</p> <p>(b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.</p> <p>2. The first subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements. The second subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements and consolidated management reports.</p> <p>Amendment of Directive 2006/43/EC as regards the audit report</p> <p>Article 28 of Directive 2006/43/EC is replaced by the following:</p> <p>"Article 28</p> <p>Audit reporting</p> <p>1. The audit report shall include:</p>	<p><del>1. The report of the statutory auditors shall include:</del></p> <p><u>1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more statutory auditors or audit firms approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC.</u></p> <p><u>The statutory auditor(s) or audit firm(s) shall also:</u></p> <p><u>(a) express an opinion on:</u></p> <p><u>(i) whether the management report is consistent with the financial statements for the same financial year, and</u></p> <p><u>(ii) whether the management report has been prepared in accordance with the applicable legal requirements;</u></p> <p><u>(b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.</u></p> <p><u>2. The first subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements. The second subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements and consolidated management reports.</u></p> <p><u>Amendment of Directive 2006/43/EC as regards the audit report</u></p> <p><u>Article 28 of Directive 2006/43/EC is replaced by the following:</u></p> <p><u>"Article 28</u></p> <p><u>Audit reporting</u></p>

	Content	Examples	Explanation
4 <sup>th</sup>		<p>(a) an introduction which shall, as a minimum, identify the financial statements that are the subject of the statutory audit, together with the financial reporting framework that has been applied in their preparation;</p> <p>(b) a description of the scope of the statutory audit which shall, as a minimum, identify the auditing standards in accordance with which the statutory audit was conducted;</p> <p>(c) an audit opinion, which shall be either unqualified, qualified or an adverse opinion and shall state clearly the opinion of the statutory auditor as to:</p> <p>(i) whether the annual financial statements give a true and fair view in accordance with the relevant financial reporting framework, and,</p> <p>(ii) where appropriate, whether the annual financial statements comply with statutory requirements.</p> <p>If the statutory auditor is unable to express an audit opinion, the report shall contain a disclaimer of opinion;</p> <p>(d) a reference to any matters to which the statutory auditor draws attention by way of emphasis without qualifying the audit opinion;</p> <p>(e) the opinion and statement referred to in the second subparagraph of Article 34(1) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC [ ].</p> <p>2. The audit report shall be signed and dated by the statutory auditor. Where an audit firm carries out the statutory audit, the audit report shall bear the signature of at least the statutory</p>	<p><u>1. The audit report shall include:</u></p> <p>(a) an introduction which shall <del>at least, as a minimum,</del> identify the <del>annual accounts</del><u>financial statements</u> that are the subject of the statutory audit, together with the financial reporting framework that has been applied in their preparation;</p> <p>(b) a description of the scope of the statutory audit which shall <del>at least, as a minimum,</del> identify the auditing standards in accordance with which the statutory audit was conducted;</p> <p>(c) an audit opinion, which shall <del>be either unqualified, qualified or an adverse opinion and shall</del> state clearly the opinion of the statutory <del>auditors</del><u>auditor</u> as to:</p> <p><u>(i) whether the annual <del>accounts</del>financial statements</u> give a true and fair view in accordance with the relevant financial reporting framework, and,</p> <p><u>(ii) where appropriate, whether the annual <del>accounts</del>financial statements</u> comply with statutory requirements;<del> the audit opinion shall be either unqualified, qualified, an adverse opinion or, if,</del></p> <p><u>If the statutory <del>auditors are</del>auditor is</u> unable to express an audit opinion, <u>the report shall contain</u> a disclaimer of opinion;</p> <p>(d) a reference to any matters to which the statutory <del>auditors draw</del><u>auditor draws</u> attention by way of emphasis without qualifying the audit opinion;</p> <p><del>(e) an opinion concerning the consistency or otherwise of the annual report with the annual accounts for the same financial year.</del></p> <p><u>2. The report shall be signed and dated by the statutory auditors.</u></p> <p><u>(e) the opinion and statement referred to in the second subparagraph of Article 34(1) of Directive 2013/34/EU of the European Parliament and of</u></p>

	Content	Examples	Explanation
4 <sup>th</sup>		<p>auditor(s) carrying out the statutory audit on behalf of the audit firm. In exceptional circumstances Member States may provide that such signature(s) need not be disclosed to the public if such disclosure could lead to an imminent and significant threat to the personal security of any person. In any case the name(s) of the person(s) involved shall be known to the relevant competent authorities.</p> <p>3. The audit report on the consolidated financial statements shall comply with the requirements set out in of paragraphs 1 and 2. In reporting on the consistency of the management report and the financial statements as required by point (e) of paragraph 1, the statutory auditor or audit firm shall consider the consolidated financial statements and the consolidated management report. Where the annual financial statements of the parent undertaking are attached to the consolidated financial statements, the audit reports required by this Article may be combined.</p>	<p><a href="#"><u>the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC [1].</u></a></p> <p><a href="#"><u>2. The audit report shall be signed and dated by the statutory auditor. Where an audit firm carries out the statutory audit, the audit report shall bear the signature of at least the statutory auditor(s) carrying out the statutory audit on behalf of the audit firm. In exceptional circumstances Member States may provide that such signature(s) need not be disclosed to the public if such disclosure could lead to an imminent and significant threat to the personal security of any person. In any case the name(s) of the person(s) involved shall be known to the relevant competent authorities.</u></a></p> <p><a href="#"><u>3. The audit report on the consolidated financial statements shall comply with the requirements set out in of paragraphs 1 and 2. In reporting on the consistency of the management report and the financial statements as required by point (e) of paragraph 1, the statutory auditor or audit firm shall consider the consolidated financial statements and the consolidated management report. Where the annual financial statements of the parent undertaking are attached to the consolidated financial statements, the audit reports required by this Article may be combined.</u></a></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
4 <sup>th</sup>	<b>SECTION 12</b> <b>Final provisions</b>		<b>SECTION 12</b> <b>Final provisions</b>
4 <sup>th</sup>	<i>Article 52</i> 1. A Contact Committee shall be set up under the auspices of the Commission. Its function shall be: (a) to facilitate, without prejudice to the provisions of Articles 169 and 170 of the Treaty, harmonized application of this Directive through regular meetings dealing in particular with practical problems arising in connection with its application; (b) to advise the Commission, if necessary, on additions or amendments to this Directive. 2. The Contact Committee shall be composed of representatives of the Member States and representatives of the Commission. The chairman shall be a representative of the Commission. The Commission shall provide the secretariat. 3. The Committee shall be convened by the chairman either on his own initiative or at the request of one of its members.	/	<i>Article 52</i> <del>1. A Contact Committee shall be set up under the auspices of the Commission. Its function shall be: (a) to facilitate, without prejudice to the provisions of Articles 169 and 170 of the Treaty, harmonized application of this Directive through regular meetings dealing in particular with practical problems arising in connection with its application; (b) to advise the Commission, if necessary, on additions or amendments to this Directive. 2. The Contact Committee shall be composed of representatives of the Member States and representatives of the Commission. The chairman shall be a representative of the Commission. The Commission shall provide the secretariat. 3. The Committee shall be convened by the chairman either on his own initiative or at the request of one of its members./</del>
	<i>Article 53</i> <hr/> 2. Every five years the Council, acting on a proposal from the Commission, shall examine and, if need be, revise the amounts expressed in European units of account in this Directive, in the light of economic and monetary trends in the Community.	<b>Article 3(13)</b> <b>Categories of undertakings and groups</b> 13. In order to adjust for the effects of inflation, the Commission shall at least every five years review and, where appropriate, amend, by means of delegated acts in accordance with Article 49, the thresholds referred to in paragraphs 1 to 7 of this Article, taking into account measures of inflation as published in the Official Journal of the European Union.	<b>Article 53(13)</b> <hr/> <del>2. Every five years the Council, acting on a proposal from the Commission, shall examine and, if need be, revise the amounts expressed in European units of account in this Directive, in the light of economic and monetary trends in the Community.</del> <u>Categories of undertakings and groups</u> <del>13. In order to adjust for the effects of inflation, the Commission shall at least every five years review and, where appropriate, amend, by means of delegated acts in accordance with Article 49, the thresholds referred to in paragraphs 1 to 7 of this Article, taking into account measures of inflation as published in the Official Journal of the European Union.</del>
	<i>Article 53a</i> Member States shall not make the exemptions set out in Articles 1a, 11 and 27, points (7a) and (7b) of	<b>Article 40</b> Restriction of exemptions for public-interest entities	<b>Article 53a40</b> <u>Restriction of exemptions for public-interest entities</u>

	Content	Examples	Explanation
	<p>Article 43(1) and Articles 46, 47 and 51 available in respect of companies whose securities are admitted to trading on a regulated market within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC.</p>	<p>Unless expressly provided for in this Directive, Member States shall not make the simplifications and exemptions set out in this Directive available to public-interest entities. A public-interest entity shall be treated as a large undertaking regardless of its net turnover, balance sheet total or average number of employees during the financial year.</p>	<p><u>Unless expressly provided for in this Directive, Member States shall not make the simplifications and exemptions set out in Articles 1a, 11 and 27, points (7a) and (7b) of Article 43(1) and Articles 46, 47 and 51 this Directive available in respect of companies whose securities are admitted to trading on public-interest entities. A public-interest entity shall be treated as a regulated market within a large undertaking regardless of its net turnover, balance sheet total or average number of employees during the meaning of point (14) of Article 4(1) of Directive 2004/39/EC financial year.</u></p>
4 <sup>th</sup>	<p style="text-align: center;"><i>Article 55</i></p> <p>1. The Member States shall bring into force the laws, regulations and administrative provisions necessary for them to comply with this Directive within two years of its notification. They shall forthwith inform the Commission thereof.</p> <p>2. The Member States may stipulate that the provisions referred to in paragraph 1 shall not apply until 18 months after the end of the period provided for in that paragraph.</p> <p>That period of 18 months may, however, be five years:</p> <p>(a) in the case of unregistered companies in the United Kingdom and Ireland;</p> <p>(b) for purposes of the application of Articles 9 and 10 and Articles 23 to 26 concerning the layouts for the balance sheet and the profit and loss account, where a Member State has brought other layouts for these documents into force not more than three years before the notification of this Directive;</p> <p>(c) for purposes of the application of this Directive as regards the calculation and disclosure in balance sheets of depreciation relating to assets covered by the asset items mentioned in Article 9, C (II) (2) and (3), and Article 10, C (II) (2) and (3);</p> <p>(d) for purposes of the application of Article 47 (1) of this Directive except as regards companies already under an obligation of publication under Article 2 (1)</p>	/	<p style="text-align: center;"><i>Article 55</i></p> <p><u>1. The Member States shall bring into force the laws, regulations and administrative provisions necessary for them to comply with this Directive within two years of its notification. They shall forthwith inform the Commission thereof.</u></p> <p><u>2. The Member States may stipulate that the provisions referred to in paragraph 1 shall not apply until 18 months after the end of the period provided for in that paragraph.</u></p> <p><u>That period of 18 months may, however, be five years:</u></p> <p><u>(a) in the case of unregistered companies in the United Kingdom and Ireland;</u></p> <p><u>(b) for purposes of the application of Articles 9 and 10 and Articles 23 to 26 concerning the layouts for the balance sheet and the profit and loss account, where a Member State has brought other layouts for these documents into force not more than three years before the notification of this Directive;</u></p> <p><u>(c) for purposes of the application of this Directive as regards the calculation and disclosure in balance sheets of depreciation relating to assets covered by the asset items mentioned in Article 9, C (II) (2) and (3), and Article 10, C (II) (2) and (3);</u></p> <p><u>(d) for purposes of the application of Article 47 (1) of this Directive except as regards companies already under an obligation of publication under Article 2 (1)</u></p>



	Content	Examples	Explanation
	<p>(f) of Directive 68/151/EEC. In this case the second subparagraph of Article 47 (1) of this Directive shall apply to the annual account and to the opinion drawn up by the person responsible for auditing the accounts;</p> <p>(e) for purposes of the application of Article 51 (1) of this Directive.</p> <p>Furthermore, this period of 18 months may be extended to eight years for companies the principal object of which is shipping and which are already in existence on the entry into force of the provisions referred to in paragraph 1.</p> <p>3. The Member States shall ensure that they communicate to the Commission the texts of the main provisions of national law which they adopt in the field covered by this Directive.</p>		<p><del>(f) of Directive 68/151/EEC. In this case the second subparagraph of Article 47 (1) of this Directive shall apply to the annual account and to the opinion drawn up by the person responsible for auditing the accounts;</del></p> <p><del>(e) for purposes of the application of Article 51 (1) of this Directive.</del></p> <p><del>Furthermore, this period of 18 months may be extended to eight years for companies the principal object of which is shipping and which are already in existence on the entry into force of the provisions referred to in paragraph 1.</del></p> <p><del>3. The Member States shall ensure that they communicate to the Commission the texts of the main provisions of national law which they adopt in the field covered by this Directive./</del></p>
	<p><i>Article 56</i></p> <p>1. The obligation to show in annual accounts the items prescribed by Articles 9, 10, 10a and 23 to 26 which relate to affiliated undertakings, as defined by Article 41 of Directive 83/349/EEC, and the obligation to provide information concerning these undertakings in accordance with Articles 13 (2), and 14 and point 7 of Article 43 (1) shall enter into force on the date fixed in Article 49 (2) of that Directive.</p>	/	<p><i>Article 56</i></p> <p><del>1. The obligation to show in annual accounts the items prescribed by Articles 9, 10, 10a and 23 to 26 which relate to affiliated undertakings, as defined by Article 41 of Directive 83/349/EEC, and the obligation to provide information concerning these undertakings in accordance with Articles 13 (2), and 14 and point 7 of Article 43 (1) shall enter into force on the date fixed in Article 49 (2) of that Directive./</del></p>
4 <sup>th</sup>	<p>2. The notes on the accounts must also disclose:</p> <p>(a) the name and registered office of the undertaking which draws up the consolidated accounts of the largest body of undertakings of which the company forms part as a subsidiary undertaking;</p> <p>(b) the name and registered office of the undertaking which draws up the consolidated accounts of the smallest body of undertakings of which the company forms part as a subsidiary undertaking and which is also included in the body of undertakings referred to in (a) above;</p> <p>(c) the place where copies of the consolidated accounts referred to in (a) and (b) above may be obtained provided that they are available.</p>	<p>Article 17(1), points (l), (m) and (n)</p> <p>Additional disclosures for medium-sized and large undertakings and public-interest entities</p> <p>(l) the name and registered office of the undertaking which draws up the consolidated financial statements of the largest body of undertakings of which the undertaking forms part as a subsidiary undertaking;</p> <p>(m) the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest body of undertakings of which the undertaking forms part as a subsidiary undertaking and which is also included in the body of undertakings referred to in point (l);</p> <p>(n) the place where copies of the consolidated</p>	<p><del>2. The notes on the accounts must also disclose:</del></p> <p><del>(a) Article 17(1), points (l), (m) and (n)</del></p> <p><u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u></p> <p><u>(l)</u> the name and registered office of the undertaking which draws up the consolidated <del>accounts</del><u>financial statements</u> of the largest body of undertakings of which the <del>company</del><u>undertaking</u> forms part as a subsidiary undertaking;</p> <p><del>(b)</del><u>m</u> the name and registered office of the undertaking which draws up the consolidated <del>accounts</del><u>financial statements</u> of the smallest body of undertakings of which the <del>company</del><u>undertaking</u> forms part as a subsidiary</p>

	Content	Examples	Explanation
		financial statements referred to in points (l) and (m) may be obtained, provided that they are available	undertaking and which is also included in the body of undertakings referred to in <del>(a) above;</del> <u>point (l)</u> ; ( <u>en</u> ) the place where copies of the consolidated <del>accounts</del> <u>financial statements</u> referred to in <del>(a) points (l) and (b) above</del> <u>(m)</u> may be obtained, provided that they are available.
4 <sup>th</sup>	<p style="text-align: center;"><i>Article 57</i></p> <p>Notwithstanding the provisions of Directives 68/151/EEC and 77/91/EEC, a Member State need not apply the provisions of this Directive concerning the content, auditing and publication of annual accounts to companies governed by their national laws which are subsidiary undertakings, as defined in Directive 83/349/EEC, where the following conditions are fulfilled:</p> <p>(a) the parent undertaking must be subject to the laws of a Member State;</p> <p>(b) all shareholders or members of the subsidiary undertaking must have declared their agreement to the exemption from such obligation; this declaration must be made in respect of every financial year;</p> <p>(c) the parent undertaking must have declared that it guarantees the commitments entered into by the subsidiary undertaking;</p> <p>(d) the declarations referred to in (b) and (c) must be published by the subsidiary undertaking as laid down by the laws of the Member State in accordance with Article 3 of Directive 68/151/EEC;</p> <p>(e) the subsidiary undertaking must be included in the consolidated accounts drawn up by the parent undertaking in accordance with Directive 83/349/EEC;</p> <p>(f) the above exemption must be disclosed in the notes on the consolidated accounts drawn up by the parent undertaking;</p> <p>g) the consolidated accounts referred to in (e), the consolidated annual report, and the report by the person responsible for auditing those accounts must be published for the subsidiary undertaking as laid down by the laws of the Member State in accordance with Article 3 of Directive 68/151/EEC.</p>	<p style="text-align: center;"><i>Article 37</i></p> <p>Exemption for subsidiary undertakings</p> <p>Notwithstanding the provisions of Directives 2009/101/EC and 2012/30/EU, a Member State shall not be required to apply the provisions of this Directive concerning the content, auditing and publication of the annual financial statements and the management report to undertakings governed by their national laws which are subsidiary undertakings, where the following conditions are fulfilled:</p> <p>(1) the parent undertaking is subject to the laws of a Member State;</p> <p>(2) all shareholders or members of the subsidiary undertaking have, in respect of each financial year in which the exemption is applied, declared their agreement to the exemption from such obligation;</p> <p>(3) the parent undertaking has declared that it guarantees the commitments entered into by the subsidiary undertaking;</p> <p>(4) the declarations referred to in points (2) and (3) of this Article are published by the subsidiary undertaking as laid down by the laws of the Member State in accordance with Chapter 2 of Directive 2009/101/EC;</p> <p>(5) the subsidiary undertaking is included in the consolidated financial statements drawn up by the parent undertaking in accordance with this Directive;</p> <p>(6) the exemption is disclosed in the notes to the</p>	<p style="text-align: center;"><i>Article <del>57</del>37</i></p> <p style="text-align: center;"><u>Exemption for subsidiary undertakings</u></p> <p>Notwithstanding the provisions of Directives <del>68/151/EEC</del><u>2009/101/EC</u> and <del>77/91/EEC</del><u>2012/30/EU</u>, a Member State <del>need shall</del> <u>not be required to</u> apply the provisions of this Directive concerning the content, auditing and publication of <u>the annual accounts financial statements and the management report to companies undertakings</u> governed by their national laws which are subsidiary undertakings, <del>as defined in Directive 83/349/EEC</del>, where the following conditions are fulfilled:</p> <p>(<u>a1</u>) the parent undertaking <del>must be</del> <u>is</u> subject to the laws of a Member State;</p> <p>(<u>b2</u>) all shareholders or members of the subsidiary undertaking <del>must have</del> <u>have, in respect of each financial year in which the exemption is applied,</u> declared their agreement to the exemption from such obligation; <del>this declaration must be made in respect of every financial year;</del></p> <p>(<u>e3</u>) the parent undertaking <del>must have</del> <u>has</u> declared that it guarantees the commitments entered into by the subsidiary undertaking;</p> <p>(<u>d4</u>) the declarations referred to in <del>(b) points (2) and (e)</del> <u>must be (3) of this Article are</u> published by the subsidiary undertaking as laid down by the laws of the Member State in accordance with <del>Article 3</del><u>Chapter 2</u> of Directive <del>68/151/EEC;</del> <u>2009/101/EC;</u></p> <p>(<u>e5</u>) the subsidiary undertaking <del>must be</del> <u>is</u></p>

	Content	Examples	Explanation
		<p>consolidated financial statements drawn up by the parent undertaking; and</p> <p>(7) the consolidated financial statements referred to in point (5) of this Article, the consolidated management report, and the audit report are published for the subsidiary undertaking as laid down by the laws of the Member State in accordance with Chapter 2 of Directive 2009/101/EC.</p>	<p>included in the consolidated <u>accountsfinancial statements</u> drawn up by the parent undertaking in accordance with <u>this Directive 83/349/EEC;</u></p> <p><del>(6)</del> the <del>above</del> exemption <del>must be</del> disclosed in the notes <del>on</del>to the consolidated <u>accountsfinancial statements</u> drawn up by the parent undertaking; <u>and</u></p> <p><del>g(7)</del> the consolidated <u>accountsfinancial statements</u> referred to in <del>(e)</del>, <u>point (5) of this Article</u>, the consolidated <u>annualmanagement report</u>, and the <u>audit report by the person responsible for auditing those accounts must be</u> published for the subsidiary undertaking as laid down by the laws of the Member State in accordance with <u>Article 3Chapter 2</u> of Directive <u>68/151/EEC-2009/101/EC</u>.</p>
4 <sup>th</sup>	<p><i>Article 57a</i></p> <p>1. Member States may require the companies referred to in the first subparagraph of Article 1 (1) governed by their law, which are members having unlimited liability of any of the companies and firms listed in Article 1 (1), second and third subparagraphs (entity concerned), to draw up, have audited and publish, with their own accounts, the accounts of the entity concerned in conformity with the provisions of this Directive.</p> <p>In this case, the requirements of this Directive do not apply to the entity concerned.</p> <p>2. Member States need not apply the requirements of this Directive to the entity concerned where:</p> <p>(a) the accounts of this entity are drawn up, audited and published in conformity with the provisions of this Directive by a company which is a member having unlimited liability of the entity and is governed by the law of another Member State;</p> <p>(b) the entity concerned is included in consolidated accounts drawn up, audited and published in accordance with Directive 83/349/EEC by a member having unlimited liability or where the entity concerned is included in the consolidated accounts</p>	<p><i>Article 38</i></p> <p>Undertakings which are members having unlimited liability of other undertakings</p> <p>1. Member States may require undertakings referred to in point (a) of Article 1(1) which are governed by their laws and which are members having unlimited liability of any undertaking referred to in point (b) of Article 1(1) ("the undertaking concerned"), to draw up, have audited and publish, with their own financial statements, the financial statements of the undertaking concerned in accordance with this Directive; in such case the requirements of this Directive shall not apply to the undertaking concerned.</p> <p>2. Member States shall not be required to apply the requirements of this Directive to the undertaking concerned where:</p> <p>(a) the financial statements of the undertaking concerned are drawn up, audited and published in accordance with the provisions of this Directive by an undertaking which:</p>	<p><i>Article 57a38</i></p> <p><u>Undertakings which are members having unlimited liability of other undertakings</u></p> <p>1. Member States may require <del>the</del> <u>companiesundertakings</u> referred to in <del>the first subparagraph point (a)</del> of Article 1-(1) <u>which are</u> governed by their <del>law,laws and</del> which are members having unlimited liability of any <del>of the companies and firms listed undertaking referred to in point (b) of Article 1-(1), second and third subparagraphs (entity) ("the undertaking concerned");</del>, to draw up, have audited and publish, with their own <u>accountsfinancial statements</u>, the <u>accountsfinancial statements</u> of the <u>entityundertaking</u> concerned in <u>conformityaccordance</u> with <del>the provisions of this</del> Directive-</p> <p><del>In this; in such</del> case, the requirements of this Directive <del>do</del>shall not apply to the <u>entityundertaking</u> concerned.</p> <p>2. Member States <del>need</del>shall not <del>be required to</del> apply the requirements of this Directive to the <u>entityundertaking</u> concerned where:</p>

	Content	Examples	Explanation
	<p>of a larger body of undertakings drawn up, audited and published in conformity with Council Directive 83/349/EEC by a parent undertaking governed by the law of a Member State. The exemption must be disclosed in the notes on the consolidated accounts. 3. In these cases, the entity concerned must reveal to whomsoever so requests the name of the entity publishing the accounts.</p>	<p>(i) is a member having unlimited liability of that undertaking concerned, and (ii) is governed by the laws of another Member State;</p> <p>(b) the undertaking concerned is included in consolidated financial statements drawn up, audited and published in accordance with this Directive by:</p> <p>(i) a member having unlimited liability, or (ii) where the undertaking concerned is included in the consolidated financial statements of a larger body of undertakings drawn up, audited and published in conformity with this Directive, a parent undertaking governed by the laws of a Member State. This exemption shall be disclosed in the notes to the consolidated financial statements.</p> <p>3. In the cases referred to in paragraph 2, the undertaking concerned shall, upon request, reveal the name of the undertaking publishing the financial statements.</p>	<p>(a) the <del>accounts</del><u>financial statements</u> of <del>this entity</del><u>the undertaking concerned</u> are drawn up, audited and published in <del>conformity</del><u>accordance</u> with the provisions of this Directive by <del>a company</del><u>an undertaking</u> which:</p> <p><del>(i)</del> <u>(i)</u> is a member having unlimited liability of <del>the entity</del><u>that undertaking concerned</u>, and <del>(ii)</del> <u>(ii)</u> is governed by the <del>law</del><u>laws</u> of another Member State;</p> <p>(b) the <del>entity</del><u>undertaking</u> concerned is included in consolidated <del>accounts</del><u>financial statements</u> drawn up, audited and published in accordance with <del>this</del> Directive <del>83/349/EEC</del> by:</p> <p><del>(i)</del> <u>(i)</u> a member having unlimited liability, or <del>(ii)</del> <u>(ii)</u> where the <del>entity</del><u>undertaking</u> concerned is included in the consolidated <del>accounts</del><u>financial statements</u> of a larger body of undertakings drawn up, audited and published in conformity with <del>Council</del><u>this</u> Directive <del>83/349/EEC</del> by, a parent undertaking governed by the <del>law</del><u>laws</u> of a Member State. <del>The</del><u>This</u> exemption <del>must</del><u>shall</u> be disclosed in the notes <del>on</del><u>to</u> the consolidated <del>accounts</del><u>financial statements</u>.</p> <p>3. In <del>these</del><u>the</u> cases <del>referred to in paragraph 2</del>, the <del>entity</del><u>undertaking</u> concerned <del>must</del><u>shall, upon request</u>, reveal <del>to whomsoever so requests</del> the name of the <del>entity</del><u>undertaking</u> publishing the <del>accounts</del><u>financial statements</u>.</p>
4 <sup>th</sup>	<p><i>Article 58</i></p> <p>A Member State need not apply the provisions of this Directive concerning the auditing and publication of the profit-and-loss account to companies governed by their national laws which are parent undertakings for the purposes of Directive 83/349/EEC where the following conditions are fulfilled:</p> <p>(a) the parent undertaking must draw up consolidated accounts in accordance with Directive 83/349/EEC and be included in the consolidated</p>	<p><i>Article 39</i></p> <p>Profit and loss account exemption for parent undertakings preparing consolidated financial statements</p> <p>A Member State shall not be required to apply the provisions of this Directive concerning the auditing and publication of the profit and loss account to undertakings governed by its national laws which are parent undertakings, provided</p>	<p><i>Article 5839</i></p> <p><u>Profit and loss account exemption for parent undertakings preparing consolidated financial statements</u></p> <p>A Member State <del>need</del><u>shall</u> not <del>be required to</del> apply the provisions of this Directive concerning the auditing and publication of the profit-<del>and</del>-loss account to <del>companies</del><u>undertakings</u> governed by <del>their</del><u>its</u> national laws which are</p>

	Content	Examples	Explanation
	<p>accounts;</p> <p>(b) the above exemption must be disclosed in the notes on the annual accounts of the parent undertaking;</p> <p>(c) the above exemption must be disclosed in the notes on the consolidated accounts drawn up by the parent undertaking;</p> <p>(d) the profit or loss of the parent company, determined in accordance with this Directive, must be shown in the balance sheet of the parent company.</p>	<p>that the following conditions are fulfilled:</p> <p>(1) the parent undertaking draws up consolidated financial statements in accordance with this Directive and is included in those consolidated financial statements;</p> <p>(2) the exemption is disclosed in the notes to the annual financial statements of the parent undertaking;</p> <p>(3) the exemption is disclosed in the notes to the consolidated financial statements drawn up by the parent undertaking; and</p> <p>(4) the profit or loss of the parent undertaking, determined in accordance with this Directive, is shown in its balance sheet.</p>	<p>parent undertakings <del>for the purposes of Directive 83/349/EEC where, provided that</del> the following conditions are fulfilled:</p> <p>(a1) the parent undertaking <del>must draw</del>draws up consolidated <del>accounts</del>financial statements in accordance with <del>this</del> Directive 83/349/EEC and <del>be</del>is included in <del>the</del>those consolidated <del>accounts;</del> financial statements;</p> <p>(b2) the <del>above</del> exemption <del>must be</del>is disclosed in the notes <del>on</del>to the annual <del>accounts</del>financial statements of the parent undertaking;</p> <p>(e3) the <del>above</del> exemption <del>must be</del>is disclosed in the notes <del>on</del>to the consolidated <del>accounts</del>financial statements drawn up by the parent undertaking; <del>and</del></p> <p>(d4) the profit or loss of the parent <del>company</del>undertaking, determined in accordance with this Directive, <del>must be</del>is shown in <del>the</del>its balance sheet <del>of the parent company.</del></p>
4 <sup>th</sup>	<p><i>Article 59</i></p> <p>1. A Member State may require or permit that participating interests, as defined in Article 17, in the capital of undertakings over the operating and financial policies of which significant influence is exercised, be shown in the balance sheet in accordance with paragraphs 2 to 9 below, as sub-items of the items 'shares in affiliated undertakings' or 'participating interests', as the case may be. An undertaking shall be presumed to exercise a significant influence over another undertaking where it has 20 % or more of the 'shareholders' or 'members' voting rights in that undertaking. Article 2 of Directive 83/349/EEC shall apply.</p>	<p>Article 9(7), point (a)</p> <p>General provisions concerning the balance sheet and the profit and loss account</p> <p>(a) Member States may permit or require participating interests to be accounted for using the equity method as provided for in Article 27, taking account of the essential adjustments resulting from the particular characteristics of annual financial statements as compared to consolidated financial statements;</p>	<p>Article <del>59</del>9(7), point (a)</p> <p><del>1. A Member State may require or permit that participating interests, as defined in Article 17, in the capital of undertakings over the operating and financial policies of which significant influence is exercised, be shown in the balance sheet in accordance with paragraphs 2 to 9 below, as sub-items of the items 'shares in affiliated undertakings' or 'participating interests', as the case may be. An undertaking shall be presumed to exercise a significant influence over another undertaking where it has 20 % or more of the 'shareholders' or 'members' voting rights in that undertaking. Article 2 of Directive 83/349/EEC shall apply. General provisions concerning the balance sheet and the profit and loss account</del></p> <p><del>(a) Member States may permit or require participating interests to be accounted for using the equity method as provided for in Article 27,</del></p>

	Content	Examples	Explanation
4 <sup>th</sup>	<p>2. When this Article is first applied to a participating interest covered by paragraph 1, it shall be shown in the balance sheet either:</p> <p>(a) at its book value calculated in accordance with Section 7 or 7a. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest shall be disclosed separately in the balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which the method is applied for the first time; or</p> <p>(b) at the amount corresponding to the proportion of the capital and reserves represented by the participating interest. The difference between that amount and the book value calculated in accordance with Section 7 or 7a shall be disclosed separately in the balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which the method is applied for the first time.</p> <p>(c) A Member State may prescribe the application of one or other of the above paragraphs. The balance sheet or the notes on the account must indicate whether (a) or (b) above has been used.</p> <p>(d) In addition, when applying (a) and (b) above, a Member State may require or permit calculation of the difference as at the date of acquisition of the participating interest referred to in paragraph 1 or, where the acquisition took place in two or more stages, as at the date as at which the holding became a participating interest within the meaning of paragraph 1 above.</p> <p>3. Where the assets or liabilities of an undertaking in which a participating interest within the meaning of paragraph 1 above is held have been valued by methods other than those used by the company drawing up the annual accounts, they may, for the purpose of calculating the difference referred to in</p>	<p>Article 9(7), point (a) and Article 27</p> <p>(a) Member States may permit or require participating interests to be accounted for using the equity method as provided for in Article 27, taking account of the essential adjustments resulting from the particular characteristics of annual financial statements as compared to consolidated financial statements;</p> <p>Equity accounting of associated undertakings</p> <p>1. Where an undertaking included in a consolidation has an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet as a separate item with an appropriate heading.</p> <p>2. When this Article is applied for the first time to an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet either:</p> <p>(a) at its book value calculated in accordance with the measurement rules laid down in Chapters 2 and 3. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest in that associated undertaking shall be disclosed separately in the consolidated balance sheet or in the notes to the consolidated financial statements. That difference shall be calculated as at the date on which that method is used for the first time; or</p> <p>(b) at an amount corresponding to the proportion of the associated undertaking's capital and reserves represented by the participating interest in that associated undertaking. The difference between that amount and the book</p>	<p><u>taking account of the essential adjustments resulting from the particular characteristics of annual financial statements as compared to consolidated financial statements;</u></p> <p><u>2. When this Article is first applied to 9(7), point (a) and Article 27</u></p> <p><u>(a) Member States may permit or require participating interest covered by paragraph interests to be accounted for using the equity method as provided for in Article 27, taking account of the essential adjustments resulting from the particular characteristics of annual financial statements as compared to consolidated financial statements;</u></p> <p><u>Equity accounting of associated undertakings</u></p> <p><u>1. Where an undertaking included in a consolidation has an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet as a separate item with an appropriate heading.</u></p> <p><u>2. When this Article is applied for the first time to an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet either:</u></p> <p><u>(a) at its book value calculated in accordance with <del>Section 7 or 7a</del> the measurement rules laid down in Chapters 2 and 3. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest in that associated undertaking shall be disclosed separately in the consolidated balance sheet or in the notes <del>onto</del> the <del>accounts consolidated</del> financial statements. That difference shall be calculated as at the date <del>as at on</del> which <del>the</del> that method is <del>applied</del> used for the first time; or</u></p> <p><u>(b) at <del>the an</del> amount corresponding to the proportion of the associated undertaking's capital</u></p>

	Content	Examples	Explanation
4 <sup>th</sup>	<p>paragraph 2 (a) or (b) above, be revalued by the methods used by the company drawing up the annual accounts. Disclosure must be made in he notes on the accounts where such revaluation has not been carried out. A Member State may require such revaluation.</p> <p>4. The book value referred to in paragraph 2 (a) above, or the amount corresponding to the proportion of capital and reserves referred to in paragraph 2 (b) above, shall be increased or reduced by the amount of the variation which has taken place during the financial year in the proportion of capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to the participating interest.</p> <p>5. In so far as a positive difference covered by paragraph 2 (a) or (b) above cannot be related to any category of asset or liability, it shall be dealt with in accordance with the rules applicable to the item 'goodwill'.</p> <p>6. (a) The proportion of the profit or loss attributable to participating interests within the meaning of paragraph 1 above shall be shown in the profit-and-loss account as a separate item with an appropriate heading.</p>	<p>value calculated in accordance with the measurement rules laid down in Chapters 2 and 3 shall be disclosed separately in the consolidated balance sheet or in the notes to the consolidated financial statements. That difference shall be calculated as at the date on which that method is used for the first time.</p> <p>A Member State may prescribe the application of one or other of the options provided for in points (a) and (b). In such cases, the consolidated balance sheet or the notes to the consolidated financial statements shall indicate which of those options has been used.</p> <p>In addition, for the purposes of points (a) and (b), a Member State may permit or require the calculation of the difference as at the date of acquisition of the shares or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.</p> <p>3. Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article 24(11), they may, for the purpose of calculating the difference referred to in points (a) and (b) of paragraph 2, be revalued by the methods used for consolidation. Where such revaluation has not been carried out, that fact shall be disclosed in the notes to the consolidated financial statements. A Member State may require such revaluation.</p> <p>4. The book value referred to in point (a) of paragraph 2, or the amount corresponding to the proportion of the associated undertaking's capital and reserves referred to in point (b) of paragraph 2, shall be increased or reduced by the amount of any variation which has taken place during the financial year in the proportion of the associated undertaking's capital and reserves represented by that participating</p>	<p>and reserves represented by the participating interest: <u>in that associated undertaking</u>. The difference between that amount and the book value calculated in accordance with <u>Section 7 or 7a the measurement rules laid down in Chapters 2 and 3</u> shall be disclosed separately in the <u>consolidated</u> balance sheet or in the notes <u>on to</u> the <u>accounts consolidated financial statements</u>. That difference shall be calculated as at the date <u>as at on</u> which <del>the that</del> method is <u>applied used</u> for the first time.</p> <p><del>(c)</del> A Member State may prescribe the application of one or other of the <u>above paragraphs. The options provided for in points (a) and (b). In such cases, the consolidated balance sheet or the notes on to the account must consolidated financial statements shall indicate whether (a) or (b) above which of those options</u> has been used.</p> <p><del>(d)</del> In addition, <u>when applying for the purposes of points (a) and (b) above,</u> a Member State may <u>permit or require or permit the</u> calculation of the difference as at the date of acquisition of the <u>participating interest referred to in paragraph 4 shares</u> or, where <u>the acquisition took place they were acquired</u> in two or more stages, as at the date <u>as at on</u> which the <u>holding undertaking became a participating interest within the meaning of paragraph 1 above an associated undertaking</u>.</p> <p>3. Where <del>the an associated undertaking's</del> assets or liabilities <u>of an undertaking in which a participating interest within the meaning of paragraph 1 above is held</u> have been valued by methods other than those used <u>by the company drawing up the annual accounts, for consolidation in accordance with Article 24(11)</u>, they may, for the purpose of calculating the difference referred to in <u>paragraph 2 points (a) or and (b) above of paragraph 2</u>, be revalued by the methods used</p>

	Content	Examples	Explanation
4 <sup>th</sup>		<p>interest; it shall be reduced by the amount of the dividends relating to that participating interest.</p> <p>5. In so far as the positive difference referred to in points (a) and (b) of paragraph 2 cannot be related to any category of assets or liabilities, it shall be treated in accordance with the rules applicable to the item "goodwill" as set out in point (d) of Article 12(6), the first subparagraph of Article 12(11), point (c) of Article 24(3), and Annex III and Annex IV.</p> <p>6. The proportion of the profit or loss of the associated undertakings attributable to the participating interests in such associated undertakings shall be shown in the consolidated profit and loss account as a separate item under an appropriate heading.</p> <p>7. The eliminations referred to in Article 24(7) shall be effected in so far as the facts are known or can be ascertained.</p> <p>8. Where an associated undertaking draws up consolidated financial statements, paragraphs 1 to 7 shall apply to the capital and reserves shown in such consolidated financial statements.</p> <p>9. This Article need not be applied where the participating interest in the capital of the associated undertaking is not material.</p>	<p><del>by the company drawing up the annual accounts. Disclosure must be made in the notes on the accounts wherefor consolidation. Where such revaluation has not been carried out, that fact shall be disclosed in the notes to the consolidated financial statements.</del> A Member State may require such revaluation.</p> <p>4. The book value referred to in <u>point (a) of paragraph 2</u> <del>(a) above</del>, or the amount corresponding to the proportion of <u>the associated undertaking's</u> capital and reserves referred to in <u>paragraph 2 point (b) above of paragraph 2</u>, shall be increased or reduced by the amount of <u>the any</u> variation which has taken place during the financial year in the proportion of <u>the associated undertaking's</u> capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to <del>the that</del> participating interest.</p> <p>5. In so far as <del>at the</del> positive difference <del>covered by referred to in points (a) and (b) of paragraph 2 (a) or (b) above</del> cannot be related to any category of <del>asset assets</del> or <del>liability liabilities</del>, it shall be <del>dealt with treated</del> in accordance with the rules applicable to the item 'goodwill'.</p> <p><u>"goodwill" as set out in point (d) of Article 12(6- (a)), the first subparagraph of Article 12(11), point (c) of Article 24(3), and Annex III and Annex IV.</u></p> <p><u>6. The proportion of the profit or loss of the associated undertakings</u> attributable to <u>the participating interests within the meaning of paragraph 1 above</u> in such associated <u>undertakings</u> shall be shown in the <u>consolidated profit- and- loss</u> account as a separate item <u>with under</u> an appropriate heading.</p> <p><u>7. The eliminations referred to in Article 24(7) shall be effected in so far as the facts are known</u></p>



	Content	Examples	Explanation
			<p><u>or can be ascertained.</u></p> <p><u>8. Where an associated undertaking draws up consolidated financial statements, paragraphs 1 to 7 shall apply to the capital and reserves shown in such consolidated financial statements.</u></p> <p><u>9. This Article need not be applied where the participating interest in the capital of the associated undertaking is not material.</u></p>
4 <sup>th</sup>	<p>(b) Where that amount exceeds the amount of dividends already received or the payment of which can be claimed, the amount of the difference must be placed in a reserve which cannot be distributed to shareholders.</p> <p>(c) A Member State may require or permit that the proportion of the profit or loss attributable to the participating interests referred to in paragraph 1 above be shown in the profit-and- loss account only to the extent of the amount corresponding to dividends already received or the payment of which can be claimed.</p>	<p>Article 9(7), point (b) and (c)</p> <p>(b) Member States may permit or require that the proportion of the profit or loss attributable to the participating interest be recognised in the profit and loss account only to the extent of the amount corresponding to dividends already received or the payment of which can be claimed; and</p> <p>(c) where the profit attributable to the participating interest and recognised in the profit and loss account exceeds the amount of dividends already received or the payment of which can be claimed, the amount of the difference shall be placed in a reserve which cannot be distributed to shareholders.</p>	<p><del>(b) Where that amount exceeds the amount of dividends already received or the payment of which can be claimed, the amount of the difference must be placed in a reserve which cannot be distributed to shareholders.</del></p> <p><del>(c) A</del>Article 9(7), point (b) and (c)</p> <p><u>(b) Member StateStates may permit or require or permit that the proportion of the profit or loss attributable to the participating interests referred to in paragraph 1 above be showninterest be recognised in the profit- and- loss account only to the extent of the amount corresponding to dividends already received or the payment of which can be claimed-; and</u></p> <p><u>(c) where the profit attributable to the participating interest and recognised in the profit and loss account exceeds the amount of dividends already received or the payment of which can be claimed, the amount of the difference shall be placed in a reserve which cannot be distributed to shareholders.</u></p>
4 <sup>th</sup>	<p>7. The eliminations referred to in Article 26 (1) (c) of Directive 83/349/EEC shall be effected in so far as the facts are known or can be ascertained. Article 26 (2) and (3) of that Directive shall apply.</p> <p>8. Where an undertaking in which a participating interest within the meaning of paragraph 1 above is held draws up consolidated accounts, the foregoing</p>	<p>Article 9(7), point (a) and Article 27</p> <p>(a) Member States may permit or require participating interests to be accounted for using the equity method as provided for in Article 27, taking account of the essential adjustments resulting from the particular characteristics of annual financial statements as compared to</p>	<p><u>Article 9(7), point (a) and Article 27</u></p> <p><u>(a) Member States may permit or require participating interests to be accounted for using the equity method as provided for in Article 27, taking account of the essential adjustments resulting from the particular characteristics of</u></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
4 <sup>th</sup>	<p>paragraphs shall apply to the capital and reserves shown in such consolidated accounts.</p>	<p>consolidated financial statements;  Equity accounting of associated undertakings</p> <ol style="list-style-type: none"> <li>1. Where an undertaking included in a consolidation has an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet as a separate item with an appropriate heading.</li> <li>2. When this Article is applied for the first time to an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet either: <ol style="list-style-type: none"> <li>(a) at its book value calculated in accordance with the measurement rules laid down in Chapters 2 and 3. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest in that associated undertaking shall be disclosed separately in the consolidated balance sheet or in the notes to the consolidated financial statements. That difference shall be calculated as at the date on which that method is used for the first time; or</li> <li>(b) at an amount corresponding to the proportion of the associated undertaking's capital and reserves represented by the participating interest in that associated undertaking. The difference between that amount and the book value calculated in accordance with the measurement rules laid down in Chapters 2 and 3 shall be disclosed separately in the consolidated balance sheet or in the notes to the consolidated financial statements. That difference shall be calculated as at the date on which that method is used for the first time.</li> </ol> </li> </ol> <p>A Member State may prescribe the application of one or other of the options provided for in points (a) and (b). In such cases, the consolidated balance sheet or the notes to the consolidated financial statements shall indicate which of those</p>	<p><u>annual financial statements as compared to consolidated financial statements;</u>  <u>Equity accounting of associated undertakings</u></p> <ol style="list-style-type: none"> <li>1. <u>Where an undertaking included in a consolidation has an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet as a separate item with an appropriate heading.</u></li> <li>2. <u>When this Article is applied for the first time to an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet either:</u> <ol style="list-style-type: none"> <li><u>(a) at its book value calculated in accordance with the measurement rules laid down in Chapters 2 and 3. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest in that associated undertaking shall be disclosed separately in the consolidated balance sheet or in the notes to the consolidated financial statements. That difference shall be calculated as at the date on which that method is used for the first time; or</u></li> <li><u>(b) at an amount corresponding to the proportion of the associated undertaking's capital and reserves represented by the participating interest in that associated undertaking. The difference between that amount and the book value calculated in accordance with the measurement rules laid down in Chapters 2 and 3 shall be disclosed separately in the consolidated balance sheet or in the notes to the consolidated financial statements. That difference shall be calculated as at the date on which that method is used for the first time.</u></li> </ol> </li> </ol> <p><u>A Member State may prescribe the application of one or other of the options provided for in points (a) and (b). In such cases, the consolidated balance sheet or the notes to the consolidated</u></p>

	Content	Examples	Explanation
4 <sup>th</sup>		<p>options has been used.</p> <p>In addition, for the purposes of points (a) and (b), a Member State may permit or require the calculation of the difference as at the date of acquisition of the shares or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.</p> <p>3. Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article 24(11), they may, for the purpose of calculating the difference referred to in points (a) and (b) of paragraph 2, be revalued by the methods used for consolidation. Where such revaluation has not been carried out, that fact shall be disclosed in the notes to the consolidated financial statements. A Member State may require such revaluation.</p> <p>4. The book value referred to in point (a) of paragraph 2, or the amount corresponding to the proportion of the associated undertaking's capital and reserves referred to in point (b) of paragraph 2, shall be increased or reduced by the amount of any variation which has taken place during the financial year in the proportion of the associated undertaking's capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to that participating interest.</p> <p>5. In so far as the positive difference referred to in points (a) and (b) of paragraph 2 cannot be related to any category of assets or liabilities, it shall be treated in accordance with the rules applicable to the item "goodwill" as set out in point (d) of Article 12(6), the first subparagraph of Article 12(11), point (c) of Article 24(3), and Annex III and Annex IV.</p> <p>6. The proportion of the profit or loss of the</p>	<p><u>financial statements shall indicate which of those options has been used.</u></p> <p><u>In addition, for the purposes of points (a) and (b), a Member State may permit or require the calculation of the difference as at the date of acquisition of the shares or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.</u></p> <p><u>3. Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article 24(11), they may, for the purpose of calculating the difference referred to in points (a) and (b) of paragraph 2, be revalued by the methods used for consolidation. Where such revaluation has not been carried out, that fact shall be disclosed in the notes to the consolidated financial statements. A Member State may require such revaluation.</u></p> <p><u>4. The book value referred to in point (a) of paragraph 2, or the amount corresponding to the proportion of the associated undertaking's capital and reserves referred to in point (b) of paragraph 2, shall be increased or reduced by the amount of any variation which has taken place during the financial year in the proportion of the associated undertaking's capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to that participating interest.</u></p> <p><u>5. In so far as the positive difference referred to in points (a) and (b) of paragraph 2 cannot be related to any category of assets or liabilities, it shall be treated in accordance with the rules applicable to the item "goodwill" as set out in point (d) of Article 12(6), the first subparagraph of Article 12(11), point (c) of Article 24(3), and Annex III and Annex IV.</u></p>

	Content	Examples	Explanation
		<p>associated undertakings attributable to the participating interests in such associated undertakings shall be shown in the consolidated profit and loss account as a separate item under an appropriate heading.</p> <p>7. The eliminations referred to in Article 24(7) shall be effected in so far as the facts are known or can be ascertained.</p> <p>8. Where an associated undertaking draws up consolidated financial statements, paragraphs 1 to 7 shall apply to the capital and reserves shown in such consolidated financial statements.</p> <p>9. This Article need not be applied where the participating interest in the capital of the associated undertaking is not material.</p>	<p><u>6. The proportion of the profit or loss of the associated undertakings attributable to the participating interests in such associated undertakings shall be shown in the consolidated profit and loss account as a separate item under an appropriate heading.</u></p> <p><u>7. The eliminations referred to in Article <del>26 (1) (c) of Directive 83/349/EEC</del>24(7) shall be effected in so far as the facts are known or can be ascertained. <del>Article 26 (2) and (3) of that Directive shall apply.</del></u></p> <p><u>8. Where an <u>associated</u> undertaking <del>in which a participating interest within the meaning of paragraph 1 above is held</del> draws up consolidated <del>accounts, the foregoing financial statements,</del> paragraphs <u>1 to 7</u> shall apply to the capital and reserves shown in such consolidated <del>accounts.</del> <u>financial statements.</u></u></p> <p><u>9. This Article need not be applied where the participating interest in the capital of the associated undertaking is not material.</u></p>
4 <sup>th</sup>	9. This Article need not be applied where a participating interest as defined in paragraph 1 is not material for the purposes of Article 2 (3).	<p>Article 27(9)</p> <p>Equity accounting of associated undertakings</p> <p>9. This Article need not be applied where the participating interest in the capital of the associated undertaking is not material.</p>	<p><u>Article 27(9)</u></p> <p><u>9. This Article need not be applied where <del>at</del>the participating interest <del>as defined in paragraph 4</del>the capital of the associated undertaking is not material <del>for the purposes of Article 2 (3).</del></u></p>
4 <sup>th</sup>	<p><i>Article 60</i></p> <p>Pending subsequent coordination, the Member States may prescribe that investments in which investment companies within the meaning of Article 5 (2) have invested their funds shall be valued on the basis of their fair value.</p> <p>In that case, the Member States may also waive the obligation on investment companies with variable capital to show separately the value adjustments referred to in Article 36.</p>	/	<p><u>Article 60</u></p> <p><u>Pending subsequent coordination, the Member States may prescribe that investments in which investment companies within the meaning of Article 5 (2) have invested their funds shall be valued on the basis of their fair value.</u></p> <p><u>In that case, the Member States may also waive the obligation on investment companies with variable capital to show separately the value adjustments referred to in <del>Article 36.</del></u></p>
4 <sup>th</sup>	<i>Article 60a</i>	Article 51	Article <del>60a</del> 51

	Content	Examples	Explanation
	<p>Member States shall lay down the rules on penalties applicable to infringements of the national provisions adopted pursuant to this Directive and shall take all the measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive.</p>	<p>Penalties</p> <p>Member States shall provide for penalties applicable to infringements of the national provisions adopted in accordance with this Directive and shall take all the measures necessary to ensure that those penalties are enforced. The penalties provided for shall be effective, proportionate and dissuasive.</p>	<p><u>Penalties</u></p> <p>Member States shall <del>lay down the rules</del> <u>provide for</u> penalties applicable to infringements of the national provisions adopted <del>pursuant to</del> <u>in accordance with</u> this Directive and shall take all the measures necessary to ensure that <del>they those penalties</del> <u>are implemented/enforced</u>. The penalties provided for <del>must</del> <u>shall</u> be effective, proportionate and dissuasive.</p>
4 <sup>th</sup>	<p><u>Article 61</u></p> <p>A Member State need not apply the provisions of point 2 of Article 43 (1) of this Directive concerning the amount of capital and reserves and profits and losses of the undertakings concerned to companies governed by their national laws which are parent undertakings for the purposes of Directive 83/349/EEC:</p> <p>(a) where the undertakings concerned are included in consolidated accounts drawn up by that parent undertaking, or in the consolidated accounts of a larger body of undertakings as referred to in Article 7 (2) of Directive 83/349/EEC; or</p> <p>(b) where the holdings in the undertakings concerned have been dealt with by the parent undertaking in its annual accounts in accordance with Article 59, or in the consolidated accounts drawn up by that parent undertaking in accordance with Article 33 of Directive 83/349/EEC.</p>	<p><u>Article 17(2)</u></p> <p>Additional disclosures for medium-sized and large undertakings and public-interest entities</p> <p>2. Member States shall not be required to apply point (g) of paragraph 1 to an undertaking which is a parent undertaking governed by their national laws in the following cases:</p> <p>(a) where the undertaking in which that parent undertaking holds a participating interest for the purposes of point (g) of paragraph 1 is included in consolidated financial statements drawn up by that parent undertaking, or in the consolidated financial statements of a larger body of undertakings as referred to in Article 23(4);</p> <p>(b) where that participating interest has been dealt with by that parent undertaking in its annual financial statements in accordance with Article 9(7), or in the consolidated financial statements drawn up by that parent undertaking in accordance with Article 27(1) to (8).</p>	<p><u>Article 61</u><del>17(2)</del></p> <p><u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u></p> <p><u>2. Member State need</u><del>States shall not be required to</del> <u>apply the provisions of point 2(g) of Article 43 (paragraph 1) of this Directive concerning the amount of capital and reserves and profits and losses of the undertakings concerned to companies to an undertaking which is a parent undertaking</u> governed by their national laws <u>in the following cases:</u></p> <p><u>(a) where the undertaking in which</u> <del>are that</del> <u>parent undertakings/undertaking holds a participating interest</u> for the purposes of <u>Directive 83/349/EEC:</u></p> <p><u>(a) where the undertakings concerned are point (g) of paragraph 1 is</u> included in consolidated <u>accounts/financial statements</u> drawn up by that parent undertaking, or in the consolidated <u>accounts/financial statements</u> of a larger body of undertakings as referred to in Article <u>7(2) of Directive 83/349/EEC; or</u> <u>23(4);</u></p> <p><u>(b) where the holdings in the undertakings concerned have that participating interest has</u> been dealt with by <del>the that</del> <u>parent undertaking</u> in its annual <u>accounts/financial statements</u> in accordance with Article <u>59,9(7),</u> or in the consolidated <u>accounts/financial statements</u> drawn up by that parent undertaking in accordance with Article <u>33 of</u></p>

	Content	Examples	Explanation
4 <sup>th</sup>	<p><i>Article 61a</i></p> <p>Not later than 1 July 2007, the Commission shall review the provisions in Articles 42a to 42f, Article 43(1)(10) and (14), Article 44(1), Article 46(2)(f) and Article 59(2)(a) and (b) in the light of the experience acquired in applying provisions on fair value accounting, with particular regard to IAS 39 as endorsed in accordance with Regulation (EC) No 1606/2002, and taking account of international developments in the field of accounting and, if appropriate, submit a proposal to the European Parliament and the Council with a view to amending the abovementioned Articles.</p>	/	<p><del>Directive 83/349/EEC-27(1) to (8).</del></p> <p><del>Article 61a</del></p> <p><del>Not later than 1 July 2007, the Commission shall review the provisions in Articles 42a to 42f, Article 43(1)(10) and (14), Article 44(1), Article 46(2)(f) and Article 59(2)(a) and (b) in the light of the experience acquired in applying provisions on fair value accounting, with particular regard to IAS 39 as endorsed in accordance with Regulation (EC) No 1606/2002, and taking account of international developments in the field of accounting and, if appropriate, submit a proposal to the European Parliament and the Council with a view to amending the abovementioned Articles./</del></p>
4 <sup>th</sup>	<p><i>Article 62</i></p> <p>This Directive is addressed to the Member States.</p>	<p>Article 55 Addressees</p> <p>This <i>Directive</i> is addressed to the Member States.</p>	<p>Article <del>62</del>55 Addressees</p> <p>This <i>Directive</i> is addressed to the Member States.</p>
	<b>Directive 83/349/EEC (7<sup>th</sup> Directive)</b>		<b>Directive 83/349/EEC</b>
7 <sup>th</sup>	<p><b>SECTION 1</b></p> <p><b>Conditions for the preparation of consolidated accounts</b></p>		<p><del>SECTION 1</del></p> <p><del>Conditions for the preparation of consolidated accounts</del></p>
7 <sup>th</sup>	<p><i>Article 1</i></p> <p>1. A Member State shall require any undertaking governed by its national law to draw up consolidated accounts and a consolidated annual report if that undertaking (a parent undertaking):</p> <p>(a) has a majority of the shareholders' or members' voting rights in another undertaking (a subsidiary undertaking); or</p> <p>(b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking (a subsidiary undertaking) and is at the same time a shareholder in or member of that undertaking; or</p> <p>(c) has the right to exercise a dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member, pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of</p>	<p>Article 22(1)</p> <p>The requirement to prepare consolidated financial statements</p> <p>1. A Member State shall require any undertaking governed by its national law to draw up consolidated financial statements and a consolidated management report if that undertaking (a parent undertaking):</p> <p>(a) has a majority of the shareholders' or members' voting rights in another undertaking (a subsidiary undertaking);</p> <p>(b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking (a subsidiary undertaking) and is at the same time a shareholder in or member of</p>	<p>Article <u>22</u>(1)</p> <p><u>The requirement to prepare consolidated financial statements</u></p> <p>1. A Member State shall require any undertaking governed by its national law to draw up consolidated <del>accounts</del><u>financial statements</u> and a consolidated <del>annual</del><u>management</u> report if that undertaking (a parent undertaking):</p> <p>(a) has a majority of the shareholders' or members' voting rights in another undertaking (a subsidiary undertaking); <del>or</del></p> <p>(b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking (a subsidiary undertaking) and is at the same time a shareholder in or member of</p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>association, where the law governing that subsidiary undertaking permits its being subject to such contracts or provisions. A Member State need not prescribe that a parent undertaking must be a shareholder in or member of its subsidiary undertaking. Those Member States the laws of which do not provide for each contracts or clauses shall not be required to apply this provision; or</p>	<p>that undertaking;</p> <p>(c) has the right to exercise a dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member, pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association, where the law governing that subsidiary undertaking permits its being subject to such contracts or provisions.</p> <p>A Member State need not prescribe that a parent undertaking must be a shareholder in or member of its subsidiary undertaking. Those Member States the laws of which do not provide for such contracts or clauses shall not be required to apply this provision; or</p> <p>(d) is a shareholder in or member of an undertaking, and:</p> <p>(i) a majority of the members of the administrative, management or supervisory bodies of that undertaking (a subsidiary undertaking) who have held office during the financial year, during the preceding financial year and up to the time when the consolidated financial statements are drawn up, have been appointed solely as a result of the exercise of its voting rights; or</p> <p>(ii) controls alone, pursuant to an agreement with other shareholders in or members of that undertaking (a subsidiary undertaking), a majority of shareholders' or members' voting rights in that undertaking. The Member States may introduce more detailed provisions concerning the form and contents of such agreements.</p> <p>Member States shall prescribe at least the arrangements referred to in point (ii). They may subject the application of point (i) to the requirement that the voting rights represent at</p>	<p>that undertaking; <del>or</del></p> <p>(c) has the right to exercise a dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member, pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association, where the law governing that subsidiary undertaking permits its being subject to such contracts or provisions.</p> <p>A Member State need not prescribe that a parent undertaking must be a shareholder in or member of its subsidiary undertaking. Those Member States the laws of which do not provide for <del>each</del><u>such</u> contracts or clauses shall not be required to apply this provision; or</p> <p><u>(d) is a shareholder in or member of an undertaking, and:</u></p> <p><u>(i) a majority of the members of the administrative, management or supervisory bodies of that undertaking (a subsidiary undertaking) who have held office during the financial year, during the preceding financial year and up to the time when the consolidated financial statements are drawn up, have been appointed solely as a result of the exercise of its voting rights; or</u></p> <p><u>(ii) controls alone, pursuant to an agreement with other shareholders in or members of that undertaking (a subsidiary undertaking), a majority of shareholders' or members' voting rights in that undertaking. The Member States may introduce more detailed provisions concerning the form and contents of such agreements.</u></p> <p><u>Member States shall prescribe at least the arrangements referred to in point (ii). They may subject the application of point (i) to the requirement that the voting rights represent at</u></p>

	Content	Examples	Explanation
		<p>least 20 % of the total.</p> <p>However, point (i) shall not apply where a third party has the rights referred to in points (a), (b) or (c) with regard to that undertaking.</p>	<p><u>least 20 % of the total.</u></p> <p><u>However, point (i) shall not apply where a third party has the rights referred to in points (a), (b) or (c) with regard to that undertaking.</u></p>
7 <sup>th</sup>	<p>(d) is a shareholder in or member of an undertaking, and:</p> <p>(aa) a majority of the members of the administrative, management or supervisory bodies of that undertaking (a subsidiary undertaking) who have held office during the financial year, during the preceding financial year and up to the time when the consolidated accounts are drawn up, have been appointed solely as a result of the exercise of its voting rights; or</p> <p>(bb) controls alone, pursuant to an agreement with other shareholders in or members of that undertaking (a subsidiary undertaking), a majority of shareholders' or members' voting rights in that undertaking. The Member States may introduce more detailed provisions concerning the form and contents of such agreements.</p> <p>The Member States shall prescribe at least the arrangements referred to in (bb) above.</p> <p>They may make the application of (aa) above dependent upon the holding's representing 20 % or more of the shareholders' or members' voting rights.</p> <p>However, (aa) above shall not apply where another undertaking has the rights referred to in subparagraphs (a), (b) or (c) above with regard to that subsidiary undertaking.</p>		<p><del>(d) is a shareholder in or member of an undertaking, and:</del></p> <p><del>(aa) a majority of the members of the administrative, management or supervisory bodies of that undertaking (a subsidiary undertaking) who have held office during the financial year, during the preceding financial year and up to the time when the consolidated accounts are drawn up, have been appointed solely as a result of the exercise of its voting rights; or</del></p> <p><del>(bb) controls alone, pursuant to an agreement with other shareholders in or members of that undertaking (a subsidiary undertaking), a majority of shareholders' or members' voting rights in that undertaking. The Member States may introduce more detailed provisions concerning the form and contents of such agreements.</del></p> <p><del>The Member States shall prescribe at least the arrangements referred to in (bb) above.</del></p> <p><del>They may make the application of (aa) above dependent upon the holding's representing 20 % or more of the shareholders' or members' voting rights.</del></p> <p><del>However, (aa) above shall not apply where another undertaking has the rights referred to in subparagraphs (a), (b) or (c) above with regard to that subsidiary undertaking.</del></p>
7 <sup>th</sup>	<p>2. Apart from the cases mentioned in paragraph 1 the Member States may require any undertaking governed by their national law to draw up</p>	<p>Article 22(2)</p> <p>2. In addition to the cases mentioned in paragraph 1, Member States may require any undertaking governed by their national law to</p>	<p><u>Article 22(2-Apart from-)</u></p> <p><u>2. In addition to</u> the cases mentioned in paragraph 1 <del>the</del>, Member States may require any</p>



	Content	Examples	Explanation
	<p>consolidated accounts and a consolidated annual report if:</p> <p>(a) that undertaking (a parent undertaking) has the power to exercise, or actually exercises, dominant influence or control over another undertaking (the subsidiary undertaking); or</p> <p>(b) that undertaking (a parent undertaking) and another undertaking (the subsidiary undertaking) are managed on a unified basis by the parent undertaking.</p>	<p>draw up consolidated financial statements and a consolidated management report if:</p> <p>(a) that undertaking (a parent undertaking) has the power to exercise, or actually exercises, dominant influence or control over another undertaking (the subsidiary undertaking); or</p> <p>(b) that undertaking (a parent undertaking) and another undertaking (the subsidiary undertaking) are managed on a unified basis by the parent undertaking.</p>	<p>undertaking governed by their national law to draw up consolidated <del>accounts</del><u>financial statements</u> and a consolidated <del>annual</del><u>management</u> report if:</p> <p>(a) that undertaking (a parent undertaking) has the power to exercise, or actually exercises, dominant influence or control over another undertaking (the subsidiary undertaking); or</p> <p>(b) that undertaking (a parent undertaking) and another undertaking (the subsidiary undertaking) are managed on a unified basis by the parent undertaking.</p>
7 <sup>th</sup>	<p style="text-align: center;"><i>Article 2</i></p> <p>1. For the purposes of Article 1 (1) (a), (b) and (d), the voting rights and the rights of appointment and removal of any other subsidiary undertaking as well as those of any person acting in his own name but on behalf of the parent undertaking or of another subsidiary undertaking must be added to those of the parent undertaking.</p> <p>2. For the purposes of Article 1 (1) (a), (b) and (d), the rights mentioned in paragraph 1 above must be reduced by the rights:</p> <p>(a) attaching to shares held on behalf of a person who is neither the parent undertaking nor a subsidiary thereof; or</p> <p>(b) attaching to shares held by way of security, provided that the rights in question are exercised in accordance with the instructions received, or held in connection with the granting of loans as part of normal business activities, provided that the voting rights are exercised in the interests of the person providing the security.</p> <p>3. For the purposes of Article 1 (1) (a) and (d), the total of the shareholders' or members' voting rights in the subsidiary undertaking must be reduced by the voting rights attaching to the shares held by that undertaking itself by a subsidiary undertaking of that undertaking or by a person acting in his own name but on behalf of those undertakings.</p>	<p style="text-align: center;">Article 22(3), (4) and (5)</p> <p>3. For the purposes of points (a), (b) and (d) of paragraph 1, the voting rights and the rights of appointment and removal of any other subsidiary undertaking as well as those of any person acting in his own name but on behalf of the parent undertaking or of another subsidiary undertaking shall be added to those of the parent undertaking.</p> <p>4. For the purposes of points (a), (b) and (d) of paragraph 1, the rights mentioned in paragraph 3 shall be reduced by the rights:</p> <p>(a) attaching to shares held on behalf of a person who is neither the parent undertaking nor a subsidiary of that parent undertaking; or</p> <p>(b) attaching to shares:</p> <p>(i) held by way of security, provided that the rights in question are exercised in accordance with the instructions received, or</p> <p>(ii) held in connection with the granting of loans as part of normal business activities, provided that the voting rights are exercised in the interests of the person providing the security.</p> <p>5. For the purposes of points (a) and (d) of paragraph 1, the total of the shareholders' or</p>	<p style="text-align: center;">Article <del>22</del><u>22(3), (4) and (5)</u></p> <p><del>43</del>. For the purposes of <del>Article 1 (1) points</del> (a), (b) and (d), <del>of paragraph 1</del>, the voting rights and the rights of appointment and removal of any other subsidiary undertaking as well as those of any person acting in his own name but on behalf of the parent undertaking or of another subsidiary undertaking <del>must</del><u>shall</u> be added to those of the parent undertaking.</p> <p><del>24</del>. For the purposes of <del>Article 1 (1) points</del> (a), (b) and (d), <del>of paragraph 1</del>, the rights mentioned in paragraph <del>4 above</del> <del>must</del><u>shall</u> be reduced by the rights:</p> <p>(a) attaching to shares held on behalf of a person who is neither the parent undertaking nor a subsidiary <del>thereof</del> <del>of that parent undertaking</del>; or</p> <p>(b) attaching to shares:</p> <p><del>(i)</del> held by way of security, provided that the rights in question are exercised in accordance with the instructions received, or</p> <p><del>(ii)</del> held in connection with the granting of loans as part of normal business activities, provided that the voting rights are exercised in the interests of the person providing the security.</p>

	Content	Examples	Explanation
		members' voting rights in the subsidiary undertaking shall be reduced by the voting rights attaching to the shares held by that undertaking itself, by a subsidiary undertaking of that undertaking or by a person acting in his own name but on behalf of those undertakings.	<del>35.</del> For the purposes of <del>Article 1(1)points</del> (a) and (d);) of paragraph 1, the total of the shareholders' or members' voting rights in the subsidiary undertaking <del>must</del> shall be reduced by the voting rights attaching to the shares held by that undertaking itself, by a subsidiary undertaking of that undertaking or by a person acting in his own name but on behalf of those undertakings.
7 <sup>th</sup>	<i>Article 3</i> 1. Without prejudice to Articles 13 and 15, a parent undertaking and all of its subsidiary undertakings shall be undertakings to be consolidated regardless of where the registered offices of such subsidiary undertakings are situated.	Article 22(6) 6. Without prejudice to Article 23(9), a parent undertaking and all of its subsidiary undertakings shall be undertakings to be consolidated regardless of where the registered offices of such subsidiary undertakings are situated.	Article <del>322(6)</del> <del>46.</del> Without prejudice to <del>Articles 13 and 15, Article 23(9)</del> , a parent undertaking and all of its subsidiary undertakings shall be undertakings to be consolidated regardless of where the registered offices of such subsidiary undertakings are situated.
7 <sup>th</sup>	2. For the purposes of paragraph 1 above any subsidiary undertaking of a subsidiary undertaking shall be considered a subsidiary undertaking of the parent undertaking which is the parent of the undertaking to be consolidated.	Article 2(10) Definitions (10) "subsidiary undertaking" means an undertaking controlled by a parent undertaking, including any subsidiary undertaking of an ultimate parent undertaking	<del>Article 2.</del> For the purposes of paragraph 1 above(10) <u>Definitions</u> (10) "subsidiary undertaking" means an undertaking controlled by a parent undertaking, including any subsidiary undertaking of a subsidiary undertaking shall be considered a subsidiary undertaking of the parent undertaking which is thean ultimate parent of the undertaking to be consolidated.
7 <sup>th</sup>	<i>Article 4</i> 1. For the purposes of this Directive, a parent undertaking and all of its subsidiary undertakings shall be undertakings to be consolidated where either the parent undertaking or one or more subsidiary undertakings is established as one of the following types of company:  (a) <i>in Germany:</i> die Aktiengesellschaft, die Kommanditgesellschaft auf Aktien, die Gesellschaft mit beschränkter Haftung;  (b) <i>in Belgium:</i> la société anonyme / de naamloze vennootschap — la société en commandite par actions / de	Article 21 Scope of the consolidated financial statements and reports  For the purposes of this Chapter, a parent undertaking and all of its subsidiary undertakings shall be undertakings to be consolidated where the parent undertaking is an undertaking to which the coordination measures prescribed by this Directive apply by virtue of Article 1(1).	Article <del>421</del> <del>4.</del> <u>Scope of the consolidated financial statements and reports</u>  For the purposes of this <del>Directive</del> Chapter, a parent undertaking and all of its subsidiary undertakings shall be undertakings to be consolidated where <del>either the parent undertaking or one or more subsidiary undertakings is established as onean undertaking to which the coordination measures prescribed by this Directive apply by virtue of the following types of company: Article 1(1).</del>  (a) <i>in Germany:</i> die Aktiengesellschaft, die Kommanditgesellschaft auf Aktien, die Gesellschaft mit beschränkter Haftung;

	Content	Examples	Explanation
7 <sup>th</sup>	<p>commanditaire vennootschap op aandelen — la société de personnes à responsabilité limitée / de personenvennootschap met beperkte aansprakelijkheid;</p> <p>(c) <i>in Denmark:</i> aktieselskaber, kommanditaktieselskaber, anpartsselskaber;</p> <p>(d) <i>in France:</i> la société anonyme, la société en commandite par actions, la société à responsabilité limitée;</p> <p>(e) <i>in Greece:</i> η ανώνυμη εταιρία, η εταιρία περιορισμένης ευθύνης, η ετερ-όρρυθμη κατά μετοχές εταιρία;</p> <p>(f) <i>in Ireland:</i> public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</p> <p>(g) <i>in Italy:</i> la società per azioni, la società in accomandita per azioni, la società a responsabilità limitata;</p> <p>(h) <i>in Luxembourg:</i> la société anonyme, la société en commandite par actions, la société à responsabilité limitée;</p> <p>(i) <i>in the Netherlands:</i> de naamloze vennootschap, de besloten vennootschap met beperkte aansprakelijkheid;</p> <p>(j) <i>in the United Kingdom:</i> public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</p> <p>(k) <i>in Spain:</i> la sociedad anónima, la sociedad comanditaria por acciones, la sociedad de responsabilidad limitada;</p> <p>(l) <i>in Portugal:</i> a sociedade anónima de responsabilidade limitada, a sociedade em comandita por acções, a sociedade</p>		<p><del>(b) <i>in Belgium:</i> la société anonyme / de naamloze vennootschap — la société en commandite par actions / de commanditaire vennootschap op aandelen — la société de personnes à responsabilité limitée / de personenvennootschap met beperkte aansprakelijkheid;</del></p> <p><del>(c) <i>in Denmark:</i> aktieselskaber, kommanditaktieselskaber, anpartsselskaber;</del></p> <p><del>(d) <i>in France:</i> la société anonyme, la société en commandite par actions, la société à responsabilité limitée;</del></p> <p><del>(e) <i>in Greece:</i> η ανώνυμη εταιρία, η εταιρία περιορισμένης ευθύνης, η ετερ-όρρυθμη κατά μετοχές εταιρία;</del></p> <p><del>(f) <i>in Ireland:</i> public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</del></p> <p><del>(g) <i>in Italy:</i> la società per azioni, la società in accomandita per azioni, la società a responsabilità limitata;</del></p> <p><del>(h) <i>in Luxembourg:</i> la société anonyme, la société en commandite par actions, la société à responsabilité limitée;</del></p> <p><del>(i) <i>in the Netherlands:</i> de naamloze vennootschap, de besloten vennootschap met beperkte aansprakelijkheid;</del></p> <p><del>(j) <i>in the United Kingdom:</i> public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</del></p> <p><del>(k) <i>in Spain:</i> la sociedad anónima, la sociedad comanditaria por acciones, la sociedad de responsabilidad limitada;</del></p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>por quotas de responsabilidade limitada;</p> <p>(m) <i>in Austria:</i> die Aktiengesellschaft, die Gesellschaft mit beschränkter Haftung;</p> <p>(n) <i>in Finland:</i> osakeyhtiö / aktiebolag;</p> <p>(o) <i>in Sweden:</i> aktiebolag;</p> <p>(p) <i>in the Czech Republic:</i> společnost s ručením omezeným, akciová společnost;</p> <p>(q) <i>in Estonia:</i> aktsiaselts, osaühing;</p> <p>(r) <i>in Cyprus:</i> Δημόσιες εταιρείες περιορισμένης ευθύνης με μετοχές ή με εγγύηση, ιδιωτικές εταιρείες περιορισμένης ευθύνης με μετοχές ή με εγγύηση;</p> <p>(s) <i>in Latvia:</i> akciju sabiedrība, sabiedrība ar ierobežotu atbildību;</p> <p>(t) <i>in Lithuania:</i> akcinės bendrovės, uždariosios akcinės bendrovės;</p> <p>(u) <i>in Hungary:</i> résztvénytársaság, korlátolt felelősségű társaság;</p> <p>(v) <i>in Malta:</i> kumpanija pubblika—public limited liability company, kumpanija privata—private limited liability company, soċjeta in akkomandita bil-kapital maqsum f'azzjonijiet—partnership <i>en commandite</i> with the capital divided into shares;</p> <p>(w) <i>in Poland:</i> spółka akcyjna, spółka z ograniczoną odpowiedzialnością, spółka komandytowo-akcyjna;</p>		<p>(l) <i>in Portugal:</i> <del>a sociedade anónima de responsabilidade limitada, a sociedade em comandita por acções, a sociedade por quotas de responsabilidade limitada;</del></p> <p>(m) <i>in Austria:</i> die Aktiengesellschaft, die Gesellschaft mit beschränkter Haftung;</p> <p>(n) <i>in Finland:</i> osakeyhtiö / aktiebolag;</p> <p>(o) <i>in Sweden:</i> aktiebolag;</p> <p>(p) <i>in the Czech Republic:</i> společnost s ručením omezeným, akciová společnost;</p> <p>(q) <i>in Estonia:</i> aktsiaselts, osaühing;</p> <p>(r) <i>in Cyprus:</i> Δημόσιες εταιρείες περιορισμένης ευθύνης με μετοχές ή με εγγύηση, ιδιωτικές εταιρείες περιορισμένης ευθύνης με μετοχές ή με εγγύηση;</p> <p>(s) <i>in Latvia:</i> akciju sabiedrība, sabiedrība ar ierobežotu atbildību;</p> <p>(t) <i>in Lithuania:</i> akcinės bendrovės, uždariosios akcinės bendrovės;</p> <p>(u) <i>in Hungary:</i> résztvénytársaság, korlátolt felelősségű társaság;</p> <p>(v) <i>in Malta:</i> kumpanija pubblika—public limited liability company, kumpanija privata—private limited liability company, soċjeta in akkomandita bil-kapital maqsum f'azzjonijiet—partnership <i>en commandite</i> with the capital divided into shares;</p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>(x) <i>in Slovenia</i>: delniška družba, družba z omejeno odgovornostjo, komanditna delniška družba;</p> <p>(y) <i>in Slovakia</i>: akciová spoločnosť, spoločnosť s ručením obmedzeným;</p> <p>(z) <i>in Bulgaria</i>: акционерно дружество, дружество с ограничена отговорност, командитно дружество с акции;</p> <p>(aa) <i>in Romania</i>: societate pe acțiuni, societate cu răspundere limitată, societate în comandită pe acțiuni.</p> <p>The first subparagraph shall also apply where either the parent undertaking or one or more subsidiary undertakings is constituted as one of the types of company mentioned in Article 1 (1), second or third subparagraph of Directive 78/660/EEC.</p>		<p><del>(w) <i>in Poland</i>: spółka akcyjna, spółka z ograniczoną odpowiedzialnością, spółka komandytowo-akcyjna;</del></p> <p><del>(x) <i>in Slovenia</i>: delniška družba, družba z omejeno odgovornostjo, komanditna delniška družba;</del></p> <p><del>(y) <i>in Slovakia</i>: akciová spoločnosť, spoločnosť s ručením obmedzeným;</del></p> <p><del>(z) <i>in Bulgaria</i>: акционерно дружество, дружество с ограничена отговорност, командитно дружество с акции;</del></p> <p><del>(aa) <i>in Romania</i>: societate pe acțiuni, societate cu răspundere limitată, societate în comandită pe acțiuni.</del></p> <p><del>The first subparagraph shall also apply where either the parent undertaking or one or more subsidiary undertakings is constituted as one of the types of company mentioned in Article 1 (1), second or third subparagraph of Directive 78/660/EEC.</del></p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>2. The Member States may, however, grant exemption from the obligation imposed in Article 1 (1) where the parent undertaking is not constituted as one of the types of company mentioned in Article 4 (1) of this Directive or in Article 1 (1), second or third subparagraph of Directive 78/660/EEC.</p>	/	<p><del>2. The Member States may, however, grant exemption from the obligation imposed in Article 1 (1) where the parent undertaking is not constituted as one of the types of company mentioned in Article 4 (1) of this Directive or in Article 1 (1), second or third subparagraph of Directive 78/660/EEC.</del></p>
7 <sup>th</sup>	<p style="text-align: center;"><i>Article 5</i></p> <p>1. A Member State may grant exemption from the obligation imposed in Article 1 (1) where the parent undertaking is a financial holding company as defined in Article 5 (3) of Directive 78/660/EEC, and:</p> <p>(a) it has not intervened during the financial year, directly or indirectly, in the management of a subsidiary undertaking;</p> <p>(b) it has not exercised the voting rights attaching to its participating interest in respect of the appointment of a member of a subsidiary undertaking's administrative, management or supervisory bodies during the financial year or the five preceding financial years or, where the exercise of voting rights was necessary for the operation of the administrative, management or supervisory bodies of the subsidiary undertaking, no shareholder in or member of the parent undertaking with majority voting rights or member of the administrative, management or supervisory bodies of that undertaking or of a member thereof with majority voting rights is a member of the administrative, management or supervisory bodies of the subsidiary undertaking and the members of those bodies so appointed have fulfilled their functions without any interference or influence on the part of the parent undertaking or of any of its subsidiary undertakings;</p> <p>(c) it has made loans only to undertakings in which it holds participating interests. Where such loans have been made to other parties, they must have been repaid by the end of the previous financial year; and</p> <p>(d) the exemption is granted by an administrative authority after fulfilment of the above conditions has been checked.</p> <p>2. (a) Where a financial holding company has been exempted, Article 43 (2) of Directive 78/660/EEC</p>	/	<p style="text-align: center;"><del><i>Article 5</i></del></p> <p><del>1. A Member State may grant exemption from the obligation imposed in Article 1 (1) where the parent undertaking is a financial holding company as defined in Article 5 (3) of Directive 78/660/EEC, and:</del></p> <p><del>(a) it has not intervened during the financial year, directly or indirectly, in the management of a subsidiary undertaking;</del></p> <p><del>(b) it has not exercised the voting rights attaching to its participating interest in respect of the appointment of a member of a subsidiary undertaking's administrative, management or supervisory bodies during the financial year or the five preceding financial years or, where the exercise of voting rights was necessary for the operation of the administrative, management or supervisory bodies of the subsidiary undertaking, no shareholder in or member of the parent undertaking with majority voting rights or member of the administrative, management or supervisory bodies of that undertaking or of a member thereof with majority voting rights is a member of the administrative, management or supervisory bodies of the subsidiary undertaking and the members of those bodies so appointed have fulfilled their functions without any interference or influence on the part of the parent undertaking or of any of its subsidiary undertakings;</del></p> <p><del>(c) it has made loans only to undertakings in which it holds participating interests. Where such loans have been made to other parties, they must have been repaid by the end of the previous financial year; and</del></p> <p><del>(d) the exemption is granted by an administrative authority after fulfilment of the above conditions has been checked.</del></p> <p><del>2. (a) Where a financial holding company has been exempted, Article 43 (2) of Directive 78/660/EEC</del></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	shall not apply to its annual accounts with respect to any majority holdings in subsidiary undertakings as from the date provided for in Article 49 (2). (b) The disclosures in respect of such majority holdings provided for in point 2 of Article 43 (1) of Directive 78/660/EEC may be omitted when their nature is such that they would be seriously prejudicial to the company, to its shareholders or members or to one of its subsidiaries. A Member State may make such omissions subject to prior administrative or judicial authorization. Any such omission must be disclosed in the notes on the accounts.		<del>shall not apply to its annual accounts with respect to any majority holdings in subsidiary undertakings as from the date provided for in /Article 49 (2). (b) The disclosures in respect of such majority holdings provided for in point 2 of Article 43 (1) of Directive 78/660/EEC may be omitted when their nature is such that they would be seriously prejudicial to the company, to its shareholders or members or to one of its subsidiaries. A Member State may make such omissions subject to prior administrative or judicial authorization. Any such omission must be disclosed in the notes on the accounts.</del>
		Article 23 (1) Exemptions from consolidation 1. Small groups shall be exempted from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public-interest entity.	<u>Article 23 (1)</u> <u>Exemptions from consolidation</u> <u>1. Small groups shall be exempted from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public-interest entity.</u>
7 <sup>th</sup>	<i>Article 6</i> 1. Without prejudice to Articles 4 (2) and 5, a Member State may provide for an exemption from the obligation imposed in Article 1 (1) if as at the balance sheet date of a parent undertaking the undertakings to be consolidated do not together, on the basis of their latest annual accounts, exceed the limits of two of the three criteria laid down in Article 27 of Directive 78/660/EEC.	Article 23(2) 2. Member States may exempt medium-sized groups from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public-interest entity.	<u>Article 6</u> <u>1. Without prejudice to Articles 4 23(2) and 5, a Member State may provide for an exemption from the obligation imposed in Article 1 (1) if as at the balance sheet date of a parent undertaking the undertakings to be consolidated do not together, on the basis of their latest annual accounts, exceed the limits of two of the three criteria laid down in Article 27 of Directive 78/660/EEC.</u> <u>2. Member States may exempt medium-sized groups from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public-interest entity.</u>
7 <sup>th</sup>	2. A Member State may require or permit that the set-off referred to in Article 19 (1) and the elimination referred to in Article 26 (1) (a) and (b) be not effected	Article 3(8) Categories of undertakings and groups 8. Member States shall permit the set-off	<del>2- Article 3(8)</del> <u>Categories of undertakings and groups</u>

	Content	Examples	Explanation
	when the aforementioned limits are calculated. In that case, the limits for the balance sheet total and net turnover criteria shall be increased by 20 %.	referred to in Article 24(3) and any elimination as a consequence of Article 24(7) not to be effected when the limits in paragraphs 5 to 7 of this Article are calculated. In such cases, the limits for the balance sheet total and net turnover criteria shall be increased by 20 %.	<del>8. Member State may require or States shall permit that</del> the set-off referred to in Article <del>49 (1) on the</del> 24(3) and any elimination <del>referred as a consequence of Article 24(7) not to in Article 26 (1) (a) and (b)</del> be <del>not</del> effected when the <del>aforementioned</del> limits <del>in paragraphs 5 to 7 of this Article</del> are calculated. In <del>that cases such cases</del> , the limits for the balance sheet total and net turnover criteria shall be increased by 20 %.
7 <sup>th</sup>	3. Article 12 of Directive 78/660/EEC shall apply to the above criteria. 4. This Article shall not apply where one of the undertakings to be consolidated is a company whose securities are admitted to trading on a regulated market of any Member State within the meaning of Article 1(13) of Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field <sup>(17)</sup> .	Article 3(9), second subparagraph, Article 3(10) and (11)  For the purposes of conversion into the national currencies of those Member States which have not adopted the euro, the amounts in euro specified in paragraphs 1, 3, 4, 6 and 7 may be increased or decreased by not more than 5 % in order to produce round sum amounts in the national currencies.  10. Where, on its balance sheet date, an undertaking or a group exceeds or ceases to exceed the limits of two of the three criteria set out in paragraphs 1 to 7, that fact shall affect the application of the derogations provided for in this Directive only if it occurs in two consecutive financial years.  11. The balance sheet total referred to in paragraphs 1 to 7 of this Article shall consist of the total value of the assets in A to E under "Assets" in the layout set out in Annex III or of the assets in A to E in the layout set out in Annex IV.	<del>3. Article 12</del> 3(9), second subparagraph, Article <del>3(10) and (11)</del>  <del>For the purposes of</del> <u>Directive 78/660/EEC shall apply to the above criteria</u> <del>conversion into the national currencies of those Member States which have not adopted the euro, the amounts in euro specified in paragraphs 1, 3, 4, 6 and 7 may be increased or decreased by not more than 5 % in order to produce round sum amounts in the national currencies.</del>  <del>4. This Article shall not apply where one of the undertakings to be consolidated is a company whose securities are admitted to trading on a regulated market of any Member State within the meaning of Article 1(13) of Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field <sup>(18)</sup>.</del> <u>10. Where, on its balance sheet date, an undertaking or a group exceeds or ceases to exceed the limits of two of the three criteria set out in paragraphs 1 to 7, that fact shall affect the application of the derogations provided for in this Directive only if it occurs in two consecutive financial years.</u>  <u>11. The balance sheet total referred to in paragraphs 1 to 7 of this Article shall consist of the total value of the assets in A to E under "Assets" in the layout set out in Annex III or of</u>

<sup>17</sup> OJ L 141, 11.6.1993, p. 27. Directive as last amended by Directive 2002/87/EC of the European Parliament and of the Council (OJ L 35, 11.2.2003, p. 1).

<sup>18</sup> ~~OJ L 141, 11.6.1993, p. 27. Directive as last amended by Directive 2002/87/EC of the European Parliament and of the Council (OJ L 35, 11.2.2003, p. 1).~~



	Content	Examples	Explanation
			<p><a href="#">the assets in A to E in the layout set out in Annex IV.</a></p>
7 <sup>th</sup>	<p>N/A</p> <p>Article 6(4)</p>	<p>Article 23(2)</p> <p>Exemptions from consolidation</p> <p>2. Member States may exempt medium-sized groups from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public-interest entity.</p>	<p>Article <del>6</del>(23)(2)</p> <p>N/A</p> <p><a href="#">Exemptions from consolidation</a></p> <p><a href="#">2. Member States may exempt medium-sized groups from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public-interest entity.</a></p>
7 <sup>th</sup>	<p>Article 7</p> <p>1. Notwithstanding Articles 4 (2), 5 and 6, a Member State shall exempt from the obligation imposed in Article 1 (1) any parent undertaking governed by its national law which is also a subsidiary undertaking if its own parent undertaking is governed by the law of a Member State in the following two cases:</p> <p>(a) where that parent undertaking holds all of the shares in the exempted undertaking. The shares in that undertaking held by members of its administrative, management or supervisory bodies pursuant to an obligation in law or in the memorandum or articles of association shall be ignored for this purpose; or</p> <p>(b) where that parent undertaking holds 90 % or more of the shares in the exempted undertaking and the remaining shareholders in or members of that undertaking have approved the exemption.</p>	<p>Article 23(3)</p> <p>3. Notwithstanding paragraphs 1 and 2 of this Article, a Member State shall, in the following cases, exempt from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the own parent undertaking of which is governed by the law of a Member State and:</p> <p>(a) the parent undertaking of the exempted undertaking holds all of the shares in the exempted undertaking. The shares in the exempted undertaking held by members of its administrative, management or supervisory bodies pursuant to a legal obligation or an obligation in its memorandum or articles of association shall be ignored for this purpose; or</p> <p>(b) the parent undertaking of the exempted undertaking holds 90 % or more of the shares in the exempted undertaking and the remaining</p>	<p>Article <del>7</del>23(3)</p> <p><a href="#">43. Notwithstanding <del>Articles 4 (2), 5</del> paragraphs 1 and <del>6</del>2 of this Article, a Member State shall, in the following cases, exempt from the obligation imposed in Article 1 (1) to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking <del>if its</del>, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the own parent undertaking of which is governed by the law of a Member State <del>in the following two cases</del> and:</a></p> <p>(a) <del>where that</del>the parent undertaking <del>of the</del> exempted undertaking holds all of the shares in the exempted undertaking. The shares in <del>that the</del> exempted undertaking held by members of its administrative, management or supervisory bodies pursuant to <del>a legal obligation or an obligation in law or in the</del>its memorandum or articles of association shall be ignored for this purpose; or</p> <p>(b) <del>where that</del>the parent <del>undertaking of the</del></p>

	Content	Examples	Explanation
		shareholders in or members of the exempted undertaking have approved the exemption.	<u>exempted</u> undertaking holds 90 % or more of the shares in the exempted undertaking and the remaining shareholders in or members of <del>that the</del> <u>exempted</u> undertaking have approved the exemption.
7 <sup>th</sup>	<p>2. Exemption shall be conditional upon compliance with all of the following conditions:</p> <p>(a) the exempted undertaking and, without prejudice to Articles 13 and 15, all of its subsidiary undertakings must be consolidated in the accounts of a larger body of undertakings, the parent undertaking of which is governed by the law of a Member State;</p> <p>(b) (aa) the consolidated accounts referred to in (a) above and the consolidated annual report of the larger body of undertakings must be drawn up by the parent undertaking of that body and audited, according to the law of the Member State by which the parent undertaking of that larger body of undertakings is governed, in accordance with this Directive;</p> <p>(bb) the consolidated accounts referred to in (a) above and the consolidated annual report referred to in (aa) above, the report by the person responsible for auditing those accounts and, where appropriate, the appendix referred to in Article 9 must be published for the exempted undertaking in the manner prescribed by the law of the Member State governing that undertaking in accordance with Article 38. That Member State may require that those documents be published in its official language and that the translation be certified;</p> <p>(c) the notes on the annual accounts of the exempted undertaking must disclose:</p> <p>(aa) the name and registered office of the parent undertaking that draws up the consolidated accounts referred to in (a) above; and</p> <p>(bb) the exemption from the obligation to draw up consolidated accounts and a consolidated annual report.</p>	<p>Article 23(4)</p> <p>4. The exemptions referred to in paragraph 3 shall fulfil all of the following conditions:</p> <p>(a) the exempted undertaking and, without prejudice to paragraph 9, all of its subsidiary undertakings are consolidated in the financial statements of a larger body of undertakings, the parent undertaking of which is governed by the law of a Member State;</p> <p>(b) the consolidated financial statements referred to in point (a) and the consolidated management report of the larger body of undertakings are drawn up by the parent undertaking of that body, in accordance with the law of the Member State by which that parent undertaking is governed, in accordance with this Directive or international accounting standards adopted in accordance with Regulation (EC) No 1606/2002;</p> <p>(c) in relation to the exempted undertaking the following documents are published in the manner prescribed by the law of the Member State by which that exempted undertaking is governed, in accordance with Article 30:</p> <p>(i) the consolidated financial statements referred to in point (a) and the consolidated management report referred to in point (b),</p> <p>(ii) the audit report, and</p> <p>(iii) where appropriate, the appendix referred to in paragraph 6.</p> <p>That Member State may require that the documents referred to in points (i), (ii) and (iii)</p>	<p><u>2. Exemption Article 23(4)</u></p> <p><u>4. The exemptions referred to in paragraph 3</u> shall <del>be conditional upon compliance with</del> <u>fulfil</u> all of the following conditions:</p> <p>(a) the exempted undertaking and, without prejudice to <del>Articles 13 and 15</del> <u>paragraph 9</u>, all of its subsidiary undertakings <del>must be</del> <u>are</u> consolidated in the <del>accounts</del> <u>financial statements</u> of a larger body of undertakings, the parent undertaking of which is governed by the law of a Member State;</p> <p>(b) <del>(aa)</del> the consolidated <del>accounts</del> <u>financial statements</u> referred to in <del>point</del> <u>point</u> (a) <del>above</del> and the consolidated <del>annual</del> <u>management</u> report of the larger body of undertakings <del>must be</del> <u>are</u> drawn up by the parent undertaking of that body <del>and audited, according to, in accordance with</del> the law of the Member State by which <del>the that</del> parent undertaking <del>of that larger body of undertakings</del> is governed, in accordance with this Directive <del>or international accounting standards adopted in accordance with Regulation (EC) No 1606/2002;</del></p> <p><del>(bb)</del> <u>(c) in relation to the exempted undertaking the following documents are published in the manner prescribed by the law of the Member State by which that exempted undertaking is governed, in accordance with Article 30:</u></p> <p><u>(i) the consolidated accounts</u> <del>financial statements</del> referred to in <del>point</del> <u>point</u> (a) <del>above</del> and the consolidated <del>annual</del> <u>management</u> report referred to in <del>(aa) above, point (b).</del></p>

	Content	Examples	Explanation
		<p>be published in its official language and that the translation be certified;</p> <p>(d) the notes to the annual financial statements of the exempted undertaking disclose the following:</p> <p>(i) the name and registered office of the parent undertaking that draws up the consolidated financial statements referred to in point (a), and</p> <p>(ii) the exemption from the obligation to draw up consolidated financial statements and a consolidated management report.</p>	<p><del>(ii) the audit report by the person responsible for auditing those accounts and, and</del></p> <p><del>(iii) where appropriate, the appendix referred to in Article 9 must be published for the exempted undertaking in the manner prescribed by the law of the Member State governing that undertaking in accordance with Article 38, paragraph 6.</del></p> <p>That Member State may require that <del>these</del>the documents <del>referred to in points (i), (ii) and (iii)</del> be published in its official language and that the translation be certified;</p> <p><del>(ed) the notes on to the annual accountsfinancial statements of the exempted undertaking must disclose the following:</del></p> <p><del>(aa) the name and registered office of the parent undertaking that draws up the consolidated accountsfinancial statements referred to in point (a) above;</del> and</p> <p><del>(bb) the exemption from the obligation to draw up consolidated accountsfinancial statements and a consolidated annualmanagement report.</del></p>
7 <sup>th</sup>	<p>3. This Article shall not apply to companies whose securities are admitted to trading on a regulated market of any Member State within the meaning of Article 1(13) of Directive 93/22/EEC.</p>	<p>Article 23(3), introductory wording</p> <p>3. Notwithstanding paragraphs 1 and 2 of this Article, a Member State shall, in the following cases, exempt from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the own parent undertaking of which is governed by the law of a Member State</p>	<p><del>3. This Article shall not apply to companies whose securities are admitted to trading on a regulated market</del>23(3), introductory wording</p> <p><del>3. Notwithstanding paragraphs 1 and 2 of any this Article, a Member State within shall, in the meaning following cases, exempt from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 4(13)2, the own parent undertaking of Directive 93/22/EEC which is governed by the law of a Member State</del></p>
7 <sup>th</sup>	<p><i>Article 8</i></p> <p>1. In cases not covered by Article 7 (1), a Member State may, without prejudice to Articles 4 (2), 5 and</p>	<p>Article 23(5)</p> <p>5. In cases not covered by paragraph 3, a</p>	<p>Article <del>8</del>23(5)</p> <p><del>4</del>5. In cases not covered by <del>Article 7</del></p>

	Content	Examples	Explanation
	<p>6, exempt from the obligation imposed in Article 1 (1) any parent undertaking governed by its national law which is also a subsidiary undertaking, the parent undertaking of which is governed by the law of a Member State, provided that all the conditions set out in Article 7 (2) are fulfilled and that the shareholders in or members of the exempted undertaking who own a minimum proportion of the subscribed capital of that undertaking have not requested the preparation of consolidated accounts at least six months before the end of the financial year. The Member States may fix that proportion at not more than 10 % for public limited liability companies and for limited partnerships with share capital, and at not more than 20 % for undertakings of other types.</p> <p>2. A Member State may not make it a condition for this exemption that the parent undertaking which prepared the consolidated accounts described in Article 7 (2) (a) must also be governed by its national law.</p> <p>3. A Member State may not make exemption subject to conditions concerning the preparation and auditing of the consolidated accounts referred to in Article 7 (2) (a).</p>	<p>Member State may, without prejudice to paragraphs 1, 2 and 3 of this Article, exempt from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the parent undertaking of which is governed by the law of a Member State, provided that all the conditions set out in paragraph 4 are fulfilled and provided further:</p> <p>(a) that the shareholders in or members of the exempted undertaking who own a minimum proportion of the subscribed capital of that undertaking have not requested the preparation of consolidated financial statements at least six months before the end of the financial year;</p> <p>(b) that the minimum proportion referred to in point (a) does not exceed the following limits:</p> <p>(i) 10 % of the subscribed capital in the case of public limited liability companies and limited partnerships with share capital; and</p> <p>(ii) 20 % of the subscribed capital in the case of undertakings of other types;</p> <p>(c) that the Member State does not make the exemption subject to:</p> <p>(i) the condition that the parent undertaking, which prepared the consolidated financial statements referred to in point (a) of paragraph 4, is governed by the national law of the Member State granting the exemption, or</p> <p>(ii) conditions relating to the preparation and auditing of those financial statements.</p>	<p><del>(1), paragraph 3,</del> a Member State may, without prejudice to <del>Articles 4 (paragraphs 1, 2), 5 and 6</del> <u>3 of this Article</u>, exempt from the obligation <del>imposed in Article 1 (1) to draw up consolidated financial statements and a consolidated management report</del> any parent undertaking <del>(the exempted undertaking)</del> governed by its national law which is also a subsidiary undertaking, <del>including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2,</del> the parent undertaking of which is governed by the law of a Member State, provided that all the conditions set out in <del>Article 7 (2) paragraph 4</del> <u>are fulfilled and provided further:</u></p> <p><del>(a) that the shareholders in or members of the exempted undertaking who own a minimum proportion of the subscribed capital of that undertaking have not requested the preparation of consolidated accounts</del> <u>financial statements</u> at least six months before the end of the financial year. <del>The Member States may fix that proportion at not more than 10 % for public limited liability companies and for limited partnerships with share capital, and at not more than 20 % for undertakings of other types.</del></p> <p><del>2. A(b) that the minimum proportion referred to in point (a) does not exceed the following limits:</del></p> <p><del>(i) 10 % of the subscribed capital in the case of public limited liability companies and limited partnerships with share capital; and</del></p> <p><del>(ii) 20 % of the subscribed capital in the case of undertakings of other types;</del></p> <p><del>(c) that the Member State may does not make it</del> <u>at the exemption subject to:</u></p> <p><del>(i) the condition for this exemption that the parent undertaking, which prepared the consolidated accounts described in Article 7 (2) financial statements referred to in point (a) must also be of</del></p>

	Content	Examples	Explanation
			<p><del>paragraph 4, is</del> governed by <del>its</del><u>the</u> national law-</p> <p><del>3. A of the</del> Member State <del>may not make</del><u>granting</u> <del>the</del> exemption <del>subject to, or</del></p> <p><del>(ii) conditions</del> <u>concerning</u><del>relating to</del> the preparation and auditing of <del>the consolidated accounts referred to in Article 7 (2) (a); those</del> <u>financial statements.</u></p>
7 <sup>th</sup>	<p><i>Article 9</i></p> <p>1. A Member State may make the exemptions provided for in Articles 7 and 8 dependent upon the disclosure of additional information, in accordance with this Directive, in the consolidated accounts referred to in Article 7 (2) (a), or in an appendix thereto, if that information is required of undertakings governed by the national law of that Member State which are obliged to prepare consolidated accounts and are in the same circumstances.</p>	<p>Article 23(6)</p> <p>6. A Member State may make the exemptions provided for in paragraphs 3 and 5 subject to the disclosure of additional information, in accordance with this Directive, in the consolidated financial statements referred to in point (a) of paragraph 4, or in an appendix thereto, if that information is required of undertakings governed by the national law of that Member State which are obliged to prepare consolidated financial statements and are in the same circumstances.</p>	<p>Article <del>9</del><u>23(6)</u></p> <p><del>4</del><u>6</u>. A Member State may make the exemptions provided for in <del>Articles 7</del><u>paragraphs 3 and 8</u> <del>dependent upon</del><u>5 subject to</u> the disclosure of additional information, in accordance with this Directive, in the consolidated <del>accounts</del><u>financial statements</u> referred to in <del>Article 7 (2) point (a);</del> <u>of paragraph 4,</u> or in an appendix thereto, if that information is required of undertakings governed by the national law of that Member State which are obliged to prepare consolidated <del>accounts</del><u>financial statements</u> and are in the same circumstances.</p>
7 <sup>th</sup>	<p>2. A Member State may also make exemption dependent upon the disclosure, in the notes on the consolidated accounts referred to in Article 7 (2) (a), or in the annual accounts of the exempted undertaking, of all or some of the following information regarding the body of undertakings, the parent undertaking of which it is exempting from the obligation to draw up consolidated accounts:</p> <ul style="list-style-type: none"> <li>— the amount of the fixed assets,</li> <li>— the net turnover,</li> <li>— the profit or loss for the financial year and the amount of the capital and reserves,</li> <li>— the average number of persons employed during the financial year.</li> </ul>	/	<p><del>2. A Member State may also make exemption dependent upon the disclosure, in the notes on the consolidated accounts referred to in Article 7 (2) (a), or in the annual accounts of the exempted undertaking, of all or some of the following information regarding the body of undertakings, the parent undertaking of which it is exempting from the obligation to draw up consolidated accounts:</del></p> <ul style="list-style-type: none"> <li><del>— the amount of the fixed assets,</del></li> <li><del>— the net turnover,</del></li> <li><del>— the profit or loss for the financial year and the amount of the capital and reserves,</del></li> <li><del>— the average number of persons employed during the financial year./</del></li> </ul>

	Content	Examples	Explanation
7 <sup>th</sup>	<p style="text-align: center;"><i>Article 10</i></p> <p>Articles 7 to 9 shall not affect any Member State's legislation on the drawing up of consolidated accounts or consolidated annual reports in so far as those documents are required:</p> <p>— for the information of employees of their representatives, or</p> <p>— by an administrative or judicial authority for its own purposes.</p>	<p style="text-align: center;">Article 23(7)</p> <p>7. Paragraphs 3 to 6 shall apply without prejudice to Member State legislation on the drawing-up of consolidated financial statements or consolidated management reports in so far as those documents are required:</p> <p>(a) for the information of employees or their representatives; or</p> <p>(b) by an administrative or judicial authority for its own purposes.</p>	<p style="text-align: center;">Article <del>10</del> <del>Articles 23(7)</del></p> <p><u>7. Paragraphs 3 to 9</u> shall <del>not affect any</del> <u>apply without prejudice to</u> Member <del>State's</del> <u>State</u> legislation on the drawing-up of consolidated <del>accounts</del> <u>financial statements</u> or consolidated <del>annual</del> <u>management</u> reports in so far as those documents are required:</p> <p>— <del>(a)</del> <u>for</u> the information of employees <del>of</del> <u>for</u> their representatives; <del>or</del></p> <p>— <del>(b)</del> <u>by</u> an administrative or judicial authority for its own purposes.</p>
7 <sup>th</sup>	<p style="text-align: center;"><i>Article 11</i></p> <p>1. Without prejudice to Articles 4 (2), 5 and 6, a Member State may exempt from the obligation imposed in Article 1 (1) any parent undertaking governed by its national law which is also a subsidiary undertaking of a parent undertaking not governed by the law of a Member State, if all of the following conditions are fulfilled:</p> <p>(a) the exempted undertaking and, without prejudice to Articles 13 and 15, all of its subsidiary undertakings must be consolidated in the accounts of a larger body of undertakings;</p> <p>(b) the consolidated accounts referred to in (a) above and, where appropriate, the consolidated annual report must be drawn up in accordance with this Directive or in a manner equivalent to consolidated accounts and consolidated annual reports drawn up in accordance with this Directive;</p> <p>(c) the consolidated accounts referred to in (a) above must have been audited by one or more persons authorized to audit accounts under the national law governing the undertaking which drew them up.</p> <p>2. Articles 7 (2) (b) (bb) and (c) an 8 to 10 shall apply.</p> <p>3. A Member State may provide for exemptions</p>	<p style="text-align: center;">Article 23(8)</p> <p>8. Without prejudice to paragraphs 1, 2, 3 and 5 of this Article, a Member State which provides for exemptions under paragraphs 3 and 5 of this Article may also exempt from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the parent undertaking of which is not governed by the law of a Member State, if all of the following conditions are fulfilled:</p> <p>(a) the exempted undertaking and, without prejudice to paragraph 9, all of its subsidiary undertakings are consolidated in the financial statements of a larger body of undertakings;</p> <p>(b) the consolidated financial statements referred to in point (a) and, where appropriate, the consolidated management report are drawn</p>	<p style="text-align: center;">Article <del>11</del><del>23(8)</del></p> <p><u>18. Without prejudice to <del>Articles 4 (paragraphs 1, 2), 5, 3 and 6</del> of this Article</u>, a Member State <u>which provides for exemptions under paragraphs 3 and 5 of this Article</u> may <u>also exempt from the obligation imposed in Article 1 (1) to draw up consolidated financial statements and a consolidated management report</u> any parent undertaking <u>(the exempted undertaking)</u> governed by its national law which is also a subsidiary undertaking <u>of a, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the</u> parent undertaking <u>of which is</u> not governed by the law of a Member State, if all of the following conditions are fulfilled:</p> <p>(a) the exempted undertaking and, without prejudice to <del>Articles 13 and 15</del> <u>paragraph 9</u>, all of its subsidiary undertakings <del>must be</del> <u>are</u> consolidated in the <del>accounts</del> <u>financial statements</u> of a larger body of undertakings;</p> <p>(b) the consolidated <del>accounts</del> <u>financial statements</u> referred to in <u>point (a) above</u> and,</p>

	Content	Examples	Explanation
	<p>under this Article only if it provides for the same exemptions under Articles 7 to 10.</p>	<p>up:</p> <p>(i) in accordance with this Directive,</p> <p>(ii) in accordance with international accounting standards adopted pursuant to Regulation (EC) No 1606/2002,</p> <p>(iii) in a manner equivalent to consolidated financial statements and consolidated management reports drawn up in accordance with this Directive, or</p> <p>(iv) in a manner equivalent to international accounting standards as determined in accordance with Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council [17];</p> <p>(c) the consolidated financial statements referred to in point (a) have been audited by one or more statutory auditor(s) or audit firm(s) authorised to audit financial statements under the national law governing the undertaking which drew up those statements.</p> <p>Points (c) and (d) of paragraph 4 and paragraphs 5, 6 and 7 shall apply.</p>	<p>where appropriate, the consolidated <del>annual</del>management report <del>must be</del> drawn up:</p> <p><del>(i) in accordance with this Directive or,</del></p> <p><del>(ii) in accordance with international accounting standards adopted pursuant to Regulation (EC) No 1606/2002,</del></p> <p><del>(iii) in a manner equivalent to consolidated accountsfinancial statements and consolidated annualmanagement reports drawn up in accordance with this Directive; or</del></p> <p><del>(iv) in a manner equivalent to international accounting standards as determined in accordance with Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council [17];</del></p> <p>(c) the consolidated <del>accounts</del>financial statements referred to in <del>point</del> (a) <del>above must</del> have been audited by one or more <del>persons authorized to</del> statutory auditor(s) or audit <del>accounts</del>firm(s) authorised to audit financial statements under the national law governing the undertaking which drew <del>them up</del> those statements.</p> <p><del>2. Articles 7 (2) (b) (bb) and Points (c) an 8 to 10 and (d) of paragraph 4 and paragraphs 5, 6 and 7 shall apply.</del></p> <p><del>3. A Member State may provide for exemptions under this Article only if it provides for the same exemptions under Articles 7 to 10.</del></p>
7 <sup>th</sup>	<p><i>Article 12</i></p> <p>1. Without prejudice to Articles 1 to 10, a Member State may require any undertaking governed by its national law to draw up consolidated accounts and a consolidated annual report if:</p>	<p>Article 22(7),(8) and (9)</p> <p>The requirement to prepare consolidated financial statements</p> <p>7. Without prejudice to this Article and Articles 21 and 23, a Member State may require any</p>	<p>Article <del>4</del>22(7),(8) and (9)</p> <p><del>4</del>The requirement to prepare consolidated financial statements</p> <p><del>7</del>. Without prejudice to <del>this Article and</del> Articles <del>4 to 10</del>21 and 23, a Member State may require any</p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>(a) that undertaking and one or more other undertakings with which it is not connected, as described in Article 1 (1) or (2), are managed on a unified basis pursuant to a contract concluded with that undertaking or provisions in the memorandum or articles of association of those undertakings; or</p> <p>(b) the administrative, management or supervisory bodies of that undertaking and of one or more other undertakings with which it is not connected, as described in Article 1 (1) or (2), consist for the major part of the same persons in office during the financial year and until the consolidated accounts are drawn up.</p> <p>2. Where paragraph 1 above is applied, undertakings related as defined in that paragraph together with all of their subsidiary undertakings shall be undertakings to be consolidated, as defined in this Directive, where one or more of those undertakings is established as one of the types of company listed in Article 4.</p> <p>3. Articles 3, 4 (2), 5, 6, 13 to 28, 29 (1), (3), (4) and (5), 30 to 38 and 39 (2) shall apply to the consolidated accounts and the consolidated annual report covered by this Article, references to parent undertakings being understood to refer to all the undertakings specified in paragraph 1 above. Without prejudice to Article 19 (2), however, the items 'capital', 'share premium account', 'revaluation reserve', 'reserves', 'profit or loss brought forward', and 'profit or loss for the financial year' to be included in the consolidated accounts shall be the aggregate amounts attributable to each of the undertakings specified in paragraph 1.</p>	<p>undertaking governed by its national law to draw up consolidated financial statements and a consolidated management report if:</p> <p>(a) that undertaking and one or more other undertakings to which it is not related as described in paragraphs 1 or 2, are managed on a unified basis in accordance with:</p> <p>(i) a contract concluded with that undertaking, or</p> <p>(ii) the memorandum or articles of association of those other undertakings; or</p> <p>(b) the administrative, management or supervisory bodies of that undertaking and of one or more other undertakings to which it is not related, as described in paragraphs 1 or 2, consist in the majority of the same persons in office during the financial year and until the consolidated financial statements are drawn up.</p> <p>8. Where the Member State option referred to in paragraph 7 is exercised, the undertakings described in that paragraph and all of their subsidiary undertakings shall be consolidated, where one or more of those undertakings is established as one of the types of undertaking listed in Annex I or Annex II.</p> <p>9. Paragraph 6 of this Article, Article 23(1), (2), (9) and (10) and Articles 24 to 29 shall apply to the consolidated financial statements and the consolidated management report referred to in paragraph 7 of this Article, subject to the following modifications:</p> <p>(a) references to parent undertakings shall be understood to refer to all of the undertakings specified in paragraph 7 of this Article; and</p> <p>(b) without prejudice to Article 24(3), the items "capital", "share premium account", "revaluation reserve", "reserves", "profit or loss brought forward", and "profit or loss for the financial year" to be included in the consolidated financial</p>	<p>undertaking governed by its national law to draw up consolidated <del>accounts</del><u>financial statements</u> and a consolidated <del>annual</del><u>management</u> report if:</p> <p>(a) that undertaking and one or more other undertakings <del>with</del><u>to</u> which it is not <del>connected</del><u>related</u> as described in <del>Article</del><u>paragraphs</u> 1 <del>(1)</del> or <del>(2)</del>, are managed on a unified basis <del>pursuant to</del><u>in accordance with</u>:</p> <p><del>(i)</del> a contract concluded with that undertaking, or <del>provisions in</del></p> <p><del>(ii)</del> the memorandum or articles of association of those <u>other</u> undertakings; or</p> <p>(b) the administrative, management or supervisory bodies of that undertaking and of one or more other undertakings <del>with</del><u>to</u> which it is not <del>connected</del><u>related</u>, as described in <del>Article</del><u>paragraphs</u> 1 <del>(1)</del> or <del>(2)</del>, consist <del>for</del><u>in</u> the <del>major part</del><u>majority</u> of the same persons in office during the financial year and until the consolidated <del>accounts</del><u>financial statements</u> are drawn up.</p> <p><del>28.</del> Where <u>the Member State option referred to in paragraph 4 above</u> <del>7</del> is <del>applied, exercised, the</del> undertakings <del>related as defined</del><u>described</u> in that paragraph <del>together with</del><u>and</u> all of their subsidiary undertakings shall be <del>undertakings to be</del> consolidated, <del>as defined in this Directive</del>, where one or more of those undertakings is established as one of the types of <del>company</del><u>undertaking</u> listed in <u>Annex I or Annex II</u>.</p> <p><del>9.</del> Paragraph 6 of this Article <del>4-</del></p> <p><del>3-</del>, <u>Article 23(1), (2), (9) and (10) and Articles 3, 4(2), 5, 6, 13</u> <del>24 to 28, 29(1), (3), (4) and (5), 30 to 38 and 39(2)</del><u>29</u> shall apply to the consolidated <del>accounts</del><u>financial statements</u> and the consolidated <del>annual</del><u>management</u> report <del>covered by</del><u>referred to in paragraph 7 of</u> this Article, <u>subject to the following modifications</u>:</p> <p><del>(a)</del> references to parent undertakings <del>being</del><u>shall</u></p>



	Content	Examples	Explanation
		<p>statements shall be the aggregate amounts attributable to each of the undertakings specified in paragraph 7 of this Article.</p>	<p><u>be</u> understood to refer to all <u>of</u> the undertakings specified in paragraph <del>4 above</del>. <del>Without 7 of this Article; and</del></p> <p><u>(b) without</u> prejudice to Article <del>19 (2)</del>, <del>however, 24(3)</del>, the items <del>'capital', 'capital', 'share premium account', 'account', 'revaluation reserve', 'reserves', 'reserve', 'reserves', 'profit or loss brought forward', 'forward', and 'profit or loss for the financial year-year'</del> to be included in the consolidated <del>accounts</del> <u>financial statements</u> shall be the aggregate amounts attributable to each of the undertakings specified in paragraph <del>4-7 of this Article</del>.</p>
7 <sup>n</sup>	<p><i>Article 13(1) and (2)</i></p> <p>1. An undertaking need not be included in consolidated accounts where it is not material for the purposes of Article 16 (3).</p> <p>2. Where two or more undertakings satisfy the requirements of paragraph 1 above, they must nevertheless be included in consolidated accounts if, as a whole, they are material for the purposes of Article 16 (3).</p>	<p><i>Article 2, point (16) and Article 6(1), point (j)</i></p> <p><b>Definitions</b></p> <p>(16) "Material" means the status of information where its omission or misstatement could reasonably be expected to influence decisions that users make on the basis of the financial statements of the undertaking. The materiality of individual items shall be assessed in the context of other similar items.</p> <p><b>General financial reporting principles</b></p> <p>(j) The requirements set out in this Directive regarding recognition, measurement, presentation, disclosure and consolidation need not be complied with when the effect of complying with them is immaterial.</p>	<p><del>Article 13(1)-2, point (16) and (2)</del></p> <p><del>1. An undertaking need not be included in consolidated accounts where it is not material for the purposes of Article 16 (3)-6(1), point (j)</del></p> <p><del>2. Where two or more undertakings satisfy the requirements of paragraph 1 above, they must nevertheless be included in consolidated accounts if, as a whole, they are material for the purposes of Article 16 (3).</del></p> <p><b>Definitions</b></p> <p><u>(16) "Material" means the status of information where its omission or misstatement could reasonably be expected to influence decisions that users make on the basis of the financial statements of the undertaking. The materiality of individual items shall be assessed in the context of other similar items.</u></p> <p><b>General financial reporting principles</b></p> <p><u>(j) The requirements set out in this Directive regarding recognition, measurement, presentation, disclosure and consolidation need not be complied with when the effect of complying with them is immaterial.</u></p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>Article 13(2a)</p> <p>2a. Without prejudice to Article 4(2) and Articles 5 and 6, any parent undertaking governed by the national law of a Member State which only has subsidiary undertakings which are not material for the purposes of Article 16(3), both individually and as a whole, shall be exempted from the obligation imposed in Article 1(1).</p>	<p>Article 23 (10)</p> <p>Exemptions from consolidation</p> <p>10. Without prejudice to point (b) of Article 6(1), Article 21 and paragraphs 1 and 2 of this Article, any parent undertaking, including a public-interest entity, shall be exempted from the obligation imposed in Article 22 if:</p> <p>(a) it only has subsidiary undertakings which are immaterial, both individually and collectively; or</p> <p>(b) all its subsidiary undertakings can be excluded from consolidation by virtue of paragraph 9 of this Article.</p>	<p>Article <del>13(2a)</del> <u>23 (10)</u></p> <p><del>2a</del> <u>Exemptions from consolidation</u></p> <p><u>10. Without prejudice to <a href="#">point (b) of Article 4(2)</a>, <a href="#">Article 21</a> and <a href="#">Articles 5 paragraphs 1 and 2 of this Article</a>, any parent undertaking <del>governed by the national law of</del>, <u>including a public-interest entity, shall be exempted from the obligation imposed in Article 22 if:</u></u></p> <p><u>(a) it only has subsidiary undertakings which are <del>not material for the purposes of Article 16(3)</del>, immaterial, both individually and <del>as a whole</del>, shall collectively; or</u></p> <p><u>(b) all its subsidiary undertakings can be <del>exempted</del> excluded from the obligation imposed <del>in consolidation by virtue of paragraph 9 of this Article 1(1)</del>.</u></p>
7 <sup>th</sup>	<p>3. In addition, an undertaking need not be included in consolidated accounts where:</p> <p>(a) severe long-term restrictions substantially hinder:</p> <p>(aa) the parent undertaking in the exercise of its rights over the assets or management of that undertaking; or</p> <p>(bb) the exercise of unified management of that undertaking where it is in one of the relationships defined in Article 12 (1); or</p> <p>(b) the information necessary for the preparation of consolidated accounts in accordance with this Directive cannot be obtained without disproportionate expense or undue delay; or</p> <p>(c) the shares of that undertaking are held exclusively with a view to their subsequent resale.</p>	<p>Article 23(9)</p> <p>9. An undertaking, including a public-interest entity, need not be included in consolidated financial statements where at least one of the following conditions is fulfilled:</p> <p>(a) in extremely rare cases where the information necessary for the preparation of consolidated financial statements in accordance with this Directive cannot be obtained without disproportionate expense or undue delay;</p> <p>(b) the shares of that undertaking are held exclusively with a view to their subsequent resale; or</p> <p>(c) severe long-term restrictions substantially hinder:</p> <p>(i) the parent undertaking in the exercise of its rights over the assets or management of that undertaking; or</p> <p>(ii) the exercise of unified management of that</p>	<p><del>3. In addition, an</del> <u>Article 23(9)</u></p> <p><u>9. An undertaking, including a public-interest entity, need not be included in consolidated <del>accounts</del> financial statements where <u>at least one of the following conditions is fulfilled:</u></u></p> <p><u>(a) in extremely rare cases where the information necessary for the preparation of consolidated financial statements in accordance with this Directive cannot be obtained without disproportionate expense or undue delay;</u></p> <p><u>(b) the shares of that undertaking are held exclusively with a view to their subsequent resale; or</u></p> <p><u>(c) severe long-term restrictions substantially hinder:</u></p> <p><u>(aa) the parent undertaking in the exercise of its rights over the assets or management of that undertaking; or</u></p>

	Content	Examples	Explanation
		undertaking where it is in one of the relationships defined in Article 22(7).	<del>(bb)ii</del> the exercise of unified management of that undertaking where it is in one of the relationships defined in Article <del>42(1); or 22(7).</del> <del>(b) the information necessary for the preparation of consolidated accounts in accordance with this Directive cannot be obtained without disproportionate expense or undue delay; or</del> <del>(c) the shares of that undertaking are held exclusively with a view to their subsequent resale.</del>
7 <sup>th</sup>	<i>Article 15</i> 1. A Member State may, for the purposes of Article 16 (3), permit the omission from consolidated accounts of any parent undertaking not carrying on any industrial or commercial activity which holds shares in a subsidiary undertaking on the basis of a joint arrangement with one or more undertakings not included in the consolidated accounts. 2. The annual accounts of the parent undertaking shall be attached to the consolidated accounts. 3. Where use is made of this derogation either Article 59 of Directive 78/660/EEC shall apply to the parent undertaking's annual accounts or the information which would have resulted from its application must be given in the notes on those accounts.	/	<i>Article 15</i> <del>1. A Member State may, for the purposes of Article 16 (3), permit the omission from consolidated accounts of any parent undertaking not carrying on any industrial or commercial activity which holds shares in a subsidiary undertaking on the basis of a joint arrangement with one or more undertakings not included in the consolidated accounts.</del> <del>2. The annual accounts of the parent undertaking shall be attached to the consolidated accounts.</del> <del>3. Where use is made of this derogation either Article 59 of Directive 78/660/EEC shall apply to the parent undertaking's annual accounts or the information which would have resulted from its application must be given in the notes on those accounts./</del>
7 <sup>th</sup>	<b>SECTION 2</b> <b>The preparation of consolidated accounts</b>		<b>SECTION 2</b> <b>The preparation of consolidated accounts</b>
7 <sup>th</sup>	<i>Article 16</i> 1. Consolidated accounts shall comprise the consolidated balance sheet, the consolidated profit-and-loss account and the notes on the accounts. These documents shall constitute a composite whole. Member States may permit or require the inclusion of other statements in the consolidated accounts in addition to the documents referred to in the first subparagraph. 2. Consolidated accounts shall be drawn up clearly and in accordance with this Directive. 3. Consolidated accounts shall give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included therein taken as a whole.	<i>Article 4</i> General provisions 1. The annual financial statements shall constitute a composite whole and shall for all undertakings comprise, as a minimum, the balance sheet, the profit and loss account and the notes to the financial statements. Member States may require undertakings other than small undertakings to include other statements in the annual financial statements in addition to the documents referred to in the first subparagraph. 2. The annual financial statements shall be drawn up clearly and in accordance with the provisions of this Directive. 3. The annual financial statements shall give a true and fair view of the undertaking's assets, liabilities,	<i>Article 464</i> General provisions <del>1. Consolidated accounts shall</del> <u>The annual financial statements shall constitute a composite whole and shall for all undertakings comprise, as a minimum, the consolidated</u> balance sheet, the <del>consolidated</del> profit- and- loss account and the notes <del>on the accounts. These documents shall constitute a composite whole.</del> <u>to the financial statements.</u> Member States may <del>permit or require the inclusion of undertakings other than small undertakings to include</del> other statements in the <del>consolidated accounts</del> <u>annual financial statements</u> in addition to the documents referred to in the first subparagraph. 2. <del>Consolidated accounts</del> <u>The annual financial</u>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>4. Where the application of the provisions of this Directive would not be sufficient to give a true and fair view within the meaning of paragraph 3 above, additional information must be given.</p> <p>5. Where, in exceptional cases, the application of a provision of Articles 17 to 35 and 39 is incompatible with the obligation imposed in paragraph 3 above, that provision must be departed from in order to give a true and fair view within the meaning of paragraph 3. Any such departure must be disclosed in the notes on the accounts together with an explanation of the reasons for it and a statement of its effect on the assets, liabilities, financial position and profit or loss. The Member States may define the exceptional cases in question and lay down the relevant special rules.</p> <p>6. A Member State may require or permit the disclosure in the consolidated accounts of other information as well as that which must be disclosed in accordance with this Directive.</p>	<p>financial position and profit or loss. Where the application of the provisions of this Directive would not be sufficient to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss, <b>such</b> additional information <b>as is necessary to comply with that requirement</b> shall be given <b>in the notes to the financial statements</b>.</p> <p>4. Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, that provision shall be <b>disapplied</b> in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. <b>The disaplication of any such provision</b> shall be disclosed in the notes to the financial statements together with an explanation of the reasons for it and <b>of its effect on the undertaking's assets, liabilities, financial position and profit or loss. The Member States may define the exceptional cases in question and lay down the relevant special rules, which shall apply in those cases.</b></p> <p>5. Member States may require undertakings other than small undertakings to disclose information in their annual financial statements which is additional to that required <b>in accordance with this Directive.</b></p> <p><b>6. By way of derogation from paragraph 5 of this Article, Member States may require the preparation and publication of disclosures in the financial statements which go beyond the requirements of this Directive, provided that any such information is gathered under a single filing system and the disclosure requirement is contained in the national tax legislation for the strict purposes of tax collection.</b></p> <p><b>7. The information required in accordance with paragraph 6 shall be included in the relevant part of the financial statements. Member States shall communicate to the Commission any additional information required in accordance with paragraph 6 upon the transposition of this Directive and when new requirements in accordance with paragraph 6 are introduced in national law.</b></p>	<p><u>statements</u> shall be drawn up clearly and in accordance with <u>the provisions of this Directive</u>.</p> <p>3. <u>Consolidated accounts</u> <u>The annual financial statements</u> shall give a true and fair view of the <u>undertaking's assets, liabilities, financial position and profit or loss of the undertakings included therein taken as a whole.</u></p> <p>4. Where the application of the provisions of this Directive would not be sufficient to give a true and fair view <u>within of the meaning of paragraph 3 above, undertaking's assets, liabilities, financial position and profit or loss, such</u> additional information <u>must as is necessary to comply with that requirement shall</u> be given <u>in the notes to the financial statements</u>.</p> <p><del>54.</del> Where, in exceptional cases, the application of a provision of <u>Articles 17 to 35 and 39 this Directive</u> is incompatible with the obligation <u>imposed laid down</u> in paragraph 3 <del>above</del>, that provision <u>must shall</u> be <u>departed from disapplied</u> in order to give a true and fair view <u>within of the meaning of paragraph 3.</u> <u>Any undertaking's assets, liabilities, financial position and profit or loss. The disaplication of any such departure must provision shall</u> be disclosed in the notes <u>onto the accounts financial statements</u> together with an explanation of the reasons for it and <u>a statement of its effect on the undertaking's assets, liabilities, financial position and profit or loss. The Member States may define the exceptional cases in question and lay down the relevant special rules, which shall apply in those cases.</u></p> <p><del>6. A5.</del> Member <u>State States</u> may require <u>or permit the disclosure in the consolidated accounts of undertakings other than small undertakings to disclose</u> information <u>as well as in their annual financial statements which is additional to that which must be disclosed required in accordance with this Directive.</u></p> <p><u>6. By way of derogation from paragraph 5 of this Article, Member States may require the preparation and publication of disclosures in the financial statements which go beyond the requirements of this Directive, provided that any</u></p>

	Content	Examples	Explanation
		<p><b>8. Member States using electronic solutions for filing and publishing annual financial statements shall ensure that small undertakings are not required to publish in accordance with chapter 7, the additional disclosures required by national tax legislation, as referred to in paragraph 6.</b></p>	<p><u>such information is gathered under a single filing system and the disclosure requirement is contained in the national tax legislation for the strict purposes of tax collection.</u>  <u>7. The information required in accordance with paragraph 6 shall be included in the relevant part of the financial statements. Member States shall communicate to the Commission any additional information required in accordance with paragraph 6 upon the transposition of this Directive and when new requirements in accordance with paragraph 6 are introduced in national law.</u>  <u>8. Member States using electronic solutions for filing and publishing annual financial statements shall ensure that small undertakings are not required to publish in accordance with chapter 7, the additional disclosures required by national tax legislation, as referred to in paragraph 6.</u></p>
7 <sup>th</sup>	<p><i>Article 17</i>  1. Articles 3 to 10a, 13 to 26 and 28 to 30 of Directive 78/660/EEC shall apply in respect of the layout of consolidated accounts, without prejudice to the provisions of this Directive and taking account of the essential adjustments resulting from the particular characteristics of consolidated accounts as compared with annual accounts.</p>	<p>Article 24(1)  The preparation of consolidated financial statements  1. Chapters 2 and 3 shall apply in respect of consolidated financial statements, taking into account the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements.</p>	<p>Article <del>17</del>  <del>24(1. Articles 3 to 10a, 13 to 26)</del>  <u>The preparation of consolidated financial statements</u>  <u>1. Chapters 2 and 28 to 30 of Directive 78/660/EEC</u> shall apply in respect of <del>the layout of consolidated accounts, without prejudice to the provisions of this Directive and</del><u>consolidated financial statements</u>, taking <u>into</u> account <del>of the</del> essential adjustments resulting from the particular characteristics of consolidated <del>accounts</del><u>financial statements</u> as compared <del>with</del><u>to</u> annual <del>accounts</del><u>financial statements</u>.</p>
7 <sup>th</sup>	<p>2. Where there are special circumstances which would entail undue expense a Member State may permit stocks to be combined in the consolidated accounts.</p>	/	<p><del>2. Where there are special circumstances which would entail undue expense a Member State may permit stocks to be combined in the consolidated accounts.</del></p>
7 <sup>th</sup>	<p><i>Article 18</i>  The assets and liabilities of undertakings included in a consolidation shall be incorporated in full in the consolidated balance sheet.</p>	<p>Article 24(2)  2. The assets and liabilities of undertakings included in a consolidation shall be incorporated in full in the consolidated balance sheet.</p>	<p>Article <del>18</del><u>24(2)</u>  <u>2. The assets and liabilities of undertakings included in a consolidation shall be incorporated in full in the consolidated balance sheet.</u></p>

	Content	Examples	Explanation
7 <sup>n</sup>	<p align="center"><i>Article 19</i></p> <p>1. The book values of shares in the capital of undertakings included in a consolidation shall be set off against the proportion which they represent of the capital and reserves of those undertakings:  (a) That set-off shall be affected on the basis of book values as at the date as at which such undertakings are included in the consolidations for the first time. Differences arising from such set-offs shall as far as possible be entered directly against those items in the consolidated balance sheet which have values above or below their book values.  (b) A Member State may require or permit set-offs on the basis of the values of identifiable assets and liabilities as at the date of acquisition of the shares or, in the event of acquisition in two or more stages, as at the date on which the undertaking became a subsidiary.  (c) Any difference remaining after the application of (a) or resulting from the application of (b) shall be shown as a separate item in the consolidated balance sheet with an appropriate heading. That item, the methods used and any significant changes in relation to the preceding financial year must be explained in the notes on the accounts. Where the offsetting of positive and negative differences is authorized by a Member State, a breakdown of such differences must also be given in the notes on the accounts.</p> <p>2. However, paragraph 1 above shall not apply to shares in the capital of the parent undertaking held either by that undertaking itself or by another undertaking included in the consolidation. In the consolidated accounts such shares shall be treated as own shares in accordance with Directive 78/660/EEC.</p>	<p align="center">Article 24(3), points (a) to (e)</p> <p>3. The book values of shares in the capital of undertakings included in a consolidation shall be set off against the proportion which they represent of the capital and reserves of those undertakings in accordance with the following:  (a) except in the case of shares in the capital of the parent undertaking held either by that undertaking itself or by another undertaking included in the consolidation, which shall be treated as own shares in accordance with Chapter 3, that set-off shall be effected on the basis of book values as they stand on the date on which those undertakings are included in a consolidation for the first time. Differences arising from that set-off shall, as far as possible, be entered directly against those items in the consolidated balance sheet which have values above or below their book values;  (b) a Member State may permit or require set-offs on the basis of the values of identifiable assets and liabilities as at the date of acquisition of the shares or, in the event of acquisition in two or more stages, as at the date on which the undertaking became a subsidiary;  (c) any difference remaining after the application of point (a) or resulting from the application of point (b) shall be shown as goodwill in the consolidated balance sheet;  (d) the methods used to calculate the value of goodwill and any significant changes in value in relation to the preceding financial year shall be explained in the notes to the financial statements;  (e) where the offsetting of positive and negative goodwill is authorised by a Member State, the notes to the financial statements shall include an analysis of the goodwill</p>	<p align="center">Article <del>19</del>24(3), points (a) to (e)</p> <p><del>1</del>3. The book values of shares in the capital of undertakings included in a consolidation shall be set off against the proportion which they represent of the capital and reserves of those undertakings <u>in accordance with the following</u>:  (a) <del>That</del><u>except in the case of shares in the capital of the parent undertaking held either by that undertaking itself or by another undertaking included in the consolidation, which shall be treated as own shares in accordance with Chapter 3, that</u> set-off shall be <del>affected</del><u>effected</u> on the basis of book values as <del>at they stand on</del> <u>as at on</u> which <del>such those</del> <u>a consolidation</u> undertakings are included in <del>the consolidations</del> <u>such that</u> set-off shall, as far as possible, be entered directly against those items in the consolidated balance sheet which have values above or below their book values.  (b) <del>A</del> <u>A</u> Member State may <del>permit or require or permit</del> <u>permit</u> set-offs on the basis of the values of identifiable assets and liabilities as at the date of acquisition of the shares or, in the event of acquisition in two or more stages, as at the date on which the undertaking became a subsidiary.  (c) <del>Any</del> <u>any</u> difference remaining after the application of <u>point</u> (a) or resulting from the application of <u>point</u> (b) shall be shown as <del>a</del> <u>separate item goodwill</u> in the consolidated balance sheet <del>with an appropriate heading. That item;</del>  (d) the methods used <u>to calculate the value of goodwill</u> and any significant changes in <u>value in</u> relation to the preceding financial year <del>must</del> <u>shall</u> be explained in the notes <del>on to</del> <u>into</u> the <del>accounts.</del> <u>Where financial statements;</u>  (e) <u>where</u> the offsetting of positive and negative</p>

	Content	Examples	Explanation
			<p><del>differences</del> <u>goodwill</u> is <del>authorized</del> <u>authorised</u> by a Member State, <del>a breakdown of such differences must also be given in the notes on to the accounts.</del></p> <p>2. However, <del>paragraph 1 above</del> <u>financial statements</u> shall <del>not apply to shares in the capital</del> <u>include an analysis</u> of the <del>parent undertaking held either by that undertaking itself or by another undertaking included in the consolidation.</del> In the consolidated accounts such shares shall be treated as own shares in accordance with Directive 78/660/EEC. <u>goodwill</u></p>
7 <sup>n</sup>	<p><i>Article 20</i></p> <p>1. A Member State may require or permit the book values of shares held in the capital of an undertaking included in the consolidation to be set off against the corresponding percentage of capital only, provided that:</p> <p>(a) the shares held represent at least 90 % of the nominal value or, in the absence of a nominal value, of the accounting par value of the shares of that undertaking other than shares of the kind described in Article 29 (2) (a) of Directive 77/91 EEC (<sup>19</sup>);</p> <p>(b) the proportion referred to in (a) above has been attained pursuant to an arrangement providing for the issue of shares by an undertaking included in the consolidation; and</p> <p>(c) the arrangement referred to in (b) above did not include a cash payment exceeding 10 % of the nominal value or, in the absence of nominal value, of the accounting par value of the shares issued.</p> <p>2. Any difference arising under paragraph 1 above shall be added to or deducted from consolidated reserves as appropriate.</p> <p>3. The application of the method described in paragraph 1 above, the resulting movement in reserves and the names and registered offices of the undertakings concerned shall be disclosed in the notes on the accounts.</p>	<p><i>Article 25</i></p> <p>Business combinations within a group</p> <p>1. A Member State may permit or require the book values of shares held in the capital of an undertaking included in the consolidation to be set off against the corresponding percentage of capital only, provided that the undertakings in the business combination are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.</p> <p>2. Any difference arising under paragraph 1 shall be added to or deducted from consolidated reserves, as appropriate.</p> <p>3. The application of the method described in paragraph 1, the resulting movement in reserves and the names and registered offices of the undertakings concerned shall be disclosed in the notes to the consolidated financial statements.</p>	<p><i>Article 250</i></p> <p><u><i>Business Combinations within a group</i></u></p> <p>1. A Member State may require or permit the book values of shares held in the capital of an undertaking included in the consolidation to be set off against the corresponding percentage of capital only, provided that <u>the undertakings in the business combination are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.</u></p> <p><del>(a) the shares held represent at least 90 % of the nominal value or, in the absence of a nominal value, of the accounting par value of the shares of that undertaking other than shares of the kind described in Article 29 (2) (a) of Directive 77/91 EEC (<sup>20</sup>);</del></p> <p><del>(b) the proportion referred to in (a) above has been attained pursuant to an arrangement providing for the issue of shares by an undertaking included in the consolidation; and</del></p> <p><del>(c) the arrangement referred to in (b) above did not include a cash payment exceeding 10 % of the nominal value or, in the absence of nominal value, of the accounting par value of the shares issued.</del></p> <p>2. Any difference arising under paragraph 1 above shall be added to or deducted from consolidated reserves as appropriate.</p> <p>3. The application of the method described in paragraph 1 above, the resulting movement in</p>

<sup>19</sup> OJ No L 26, 31.1.1977, p. 1.

<sup>20</sup> ~~OJ No L 26, 31.1.1977, p. 1.~~

	Content	Examples	Explanation
			reserves and the names and registered offices of the undertakings concerned shall be disclosed in the notes <del>to</del> the <u>financial statements, accounts,</u>
7 <sup>th</sup>	<i>Article 21</i> The amount attributable to shares in subsidiary undertakings included in the consolidation held by persons other than the undertakings included in the consolidation shall be shown in the consolidated balance sheet as a separate item with an appropriate heading.	Article 24(4) 4. Where shares in subsidiary undertakings included in the consolidation are held by persons other than those undertakings, the amount attributable to those shares shall be shown separately in the consolidated balance sheet as non-controlling interests.	Article <del>21</del> <u>24(4)</u> <del>The amount attributable to</del> 4. Where shares in subsidiary undertakings included in the consolidation <u>are</u> held by persons other than <del>the</del> <u>those</u> undertakings <del>included in the consolidation,</del> <u>the amount attributable to those shares</u> shall be shown <u>separately</u> in the consolidated balance sheet as <u>a separate item with an appropriate heading</u> <del>non-controlling interests.</del>
7 <sup>th</sup>	<i>Article 22</i> The income and expenditure of undertakings included in a consolidation shall be incorporated in full in the consolidated profit-and-loss account.	Article 24(5) 5. The income and expenditure of undertakings included in a consolidation shall be incorporated in full in the consolidated profit and loss account.	Article <del>22</del> <u>24(5)</u> <u>5.</u> The income and expenditure of undertakings included in a consolidation shall be incorporated in full in the consolidated profit- <u>and-</u> loss account.
7 <sup>th</sup>	<i>Article 23</i> The amount of any profit or loss attributable to shares in subsidiary undertakings included in the consolidation held by persons other than the undertakings included in the consolidation shall be shown in the consolidated profit-and-loss account as a separate item with an appropriate heading.	Article 24(6) 6. The amount of any profit or loss attributable to the shares referred to in paragraph 4 shall be shown separately in the consolidated profit and loss account as the profit or loss attributable to non-controlling interests.	Article <del>23</del> <u>24(6)</u> <u>6.</u> The amount of any profit or loss attributable to <u>the</u> shares <u>referred to in subsidiary undertakings included in the consolidation held by persons other than the undertakings included in the consolidation</u> <del>paragraph 4</del> shall be shown <u>separately</u> in the consolidated profit- <u>and-</u> loss account as <u>a separate item with an appropriate heading</u> <del>the profit or loss attributable to non-controlling interests.</del>
7 <sup>th</sup>	<i>Article 24</i> Consolidated accounts shall be drawn up in accordance with the principles enunciated in Articles 25 to 28.	/	<i>Article 24</i> <del>Consolidated accounts shall be drawn up in accordance with the principles enunciated in Articles 25 to 28.</del>
7 <sup>th</sup>	<i>Article 25</i> 1. The methods of consolidation must be applied consistently from one financial year to another.	Article 6(1), point (b) General financial reporting principles (b) accounting policies and measurement bases shall be applied consistently from one financial year to the	Article <del>25</del> <del>6(1.-The methods of consolidation must), point (b)</del> <u>General financial reporting principles</u> <u>(b) accounting policies and measurement bases shall</u>



	Content	Examples	Explanation
7 <sup>th</sup>	<p>2. Derogations from the provisions of paragraph 1 above shall be permitted in exceptional cases. Any such derogations must be disclosed in the notes on the accounts and the reasons for them given together with an assessment of their effect on the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation taken as a whole.</p>	<p>next</p> <p>Article 4(4) General provisions</p> <p>4. Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, that provision shall be disapplied in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. The disapplication of any such provision shall be disclosed in the notes to the financial statements together with an explanation of the reasons for it and of its effect on the undertaking's assets, liabilities, financial position and profit or loss.</p>	<p>be applied consistently from one financial year to <del>another-the next</del></p> <p><del>2. Derogations from the Article 4(4) General provisions</del></p> <p><del>4. Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 4-above3, that provision shall be permitted in exceptional cases. Anydisapplied in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. The disapplication of any such derogations mustprovision shall</del> be disclosed in the notes <del>on the accounts and the reasons for them given</del>to the financial statements together with an <del>assessment of their</del>explanation of the reasons for it and of its effect on the <del>undertaking's</del> assets, liabilities, financial position and profit or loss <del>of the undertakings included in the consolidation taken as a whole.</del></p>
7 <sup>th</sup>	<p><i>Article 26</i></p> <p>1. Consolidated accounts shall show the assets, liabilities, financial positions and profits or losses of the undertakings included in a consolidation as if the latter were a single undertaking. In particular:</p> <p>(a) debts and claims between the undertakings included in a consolidation shall be eliminated from the consolidated accounts;</p> <p>(b) income and expenditure relating to transactions between the undertakings included in a consolidation shall be eliminated from the consolidated accounts;</p> <p>(c) where profits and losses resulting from transactions between the undertakings included in a consolidation are included in the book values of assets, they shall be eliminated from the consolidated accounts. Pending subsequent coordination, however, a Member State may allow the eliminations mentioned above to be effected in proportion to the percentage of the capital held by the parent undertaking in each of the subsidiary undertakings included in the consolidation.</p>	<p>Article 24(7)</p> <p>The preparation of consolidated financial statements</p> <p>7. Consolidated financial statements shall show the assets, liabilities, financial positions, profits or losses of the undertakings included in a consolidation as if they were a single undertaking. In particular, the following shall be eliminated from the consolidated financial statements:</p> <p>(a) debts and claims between the undertakings;</p> <p>(b) income and expenditure relating to transactions between the undertakings; and</p> <p>(c) profits and losses resulting from transactions between the undertakings, where they are included in the book values of assets.</p>	<p>Article <del>26</del>24(7)</p> <p><del>4</del>The preparation of consolidated financial statements</p> <p><del>7.</del> Consolidated <del>accounts</del>financial statements shall show the assets, liabilities, financial positions <del>and,</del> profits or losses of the undertakings included in a consolidation as if <del>the latter</del>they were a single undertaking. In particular, <del>the following shall be eliminated from the consolidated financial statements:</del></p> <p>(a) debts and claims between the undertakings <del>included in a consolidation shall be eliminated from the consolidated accounts;</del></p> <p>(b) income and expenditure relating to transactions between the undertakings <del>included in a consolidation shall be eliminated from the consolidated accounts;</del> and</p> <p>(c) <del>where</del> profits and losses resulting from transactions between the undertakings <del>included in a consolidation, where they</del> are included in</p>

	Content	Examples	Explanation
			the book values of assets, <del>they shall be eliminated from the consolidated accounts.</del> Pending subsequent coordination, however, a Member State may allow the eliminations mentioned above to be effected in proportion to the percentage of the capital held by the parent undertaking in each of the subsidiary undertakings included in the consolidation.
7 <sup>th</sup>	2. A Member State may permit derogations from the provisions of paragraph 1 (c) above where a transaction has been concluded according to normal market conditions and where the elimination of the profit or loss would entail undue expense. Any such derogations must be disclosed and where the effect on the assets, liabilities, financial position and profit or loss of the undertakings, included in the consolidation, taken as a whole, is material, that fact must be disclosed in the notes on the consolidated accounts.	/	<del>2. A Member State may permit derogations from the provisions of paragraph 1 (c) above where a transaction has been concluded according to normal market conditions and where the elimination of the profit or loss would entail undue expense. Any such derogations must be disclosed and where the effect on the assets, liabilities, financial position and profit or loss of the undertakings, included in the consolidation, taken as a whole, is material, that fact must be disclosed in the notes on the consolidated accounts.</del> /
7 <sup>th</sup>	3. Derogations from the provisions of paragraph 1 (a), (b) or (c) above shall be permitted where the amounts concerned are not material for the purposes of Article 16 (3).	Article 6(1), point (j) General financial reporting principles (j) the requirements set out in this Directive regarding recognition, measurement, presentation, disclosure and consolidation need not be complied with when the effect of complying with them is immaterial.	<del>3. Derogations from the provisions of paragraph 1 (a), (b) or (c) above shall be permitted where the amounts concerned are not material for the purposes of Article 16 (3).</del> Article 6(1), point (j) General financial reporting principles (j) the requirements set out in this Directive regarding recognition, measurement, presentation, disclosure and consolidation need not be complied with when the effect of complying with them is immaterial.
7 <sup>th</sup>	<i>Article 27</i> 1. Consolidated accounts must be drawn up as at the same date as the annual accounts of the parent undertaking. 2. A Member State may, however, require or permit consolidated accounts to be drawn up as at another date in order to take account of the balance sheet dates of the largest number or the most important of the undertakings included in the consolidation.	Article 24(8) The preparation of consolidated financial statements  8. Consolidated financial statements shall be drawn up as at the same date as the annual financial statements of the parent undertaking. A Member State may, however, permit or require consolidated financial statements to be drawn up	Article <del>27</del> 24(8) <del>4</del> The preparation of consolidated financial statements  8. Consolidated <del>accounts must</del> financial statements shall be drawn up as at the same date as the annual <del>accounts</del> financial statements of the parent undertaking. <del>2-</del> A Member State may, however, <u>permit or</u>

	Content	Examples	Explanation
	<p>Where use is made of this derogation that fact shall be disclosed in the note on the consolidated accounts together with the reasons therefor. In addition, account must be taken or disclosure made of important events concerning the assets and liabilities, the financial position or the profit or loss of an undertaking included in a consolidation which have occurred between that undertaking's balance sheet date and the consolidated balance sheet date.</p> <p>3. Where an undertaking's balance sheet date precedes the consolidated balance sheet date by more than three months, that undertaking shall be consolidated on the basis of interim accounts drawn up as at the consolidated balance sheet date.</p>	<p>as at another date in order to take account of the balance sheet dates of the largest number or the most important of the undertakings included in the consolidation, provided that:</p> <p>(a) that fact shall be disclosed in the notes to the consolidated financial statements and reasons given;</p> <p>(b) account shall be taken, or disclosure made, of important events concerning the assets and liabilities, the financial position and the profit or loss of an undertaking included in a consolidation which have occurred between that undertaking's balance sheet date and the consolidated balance sheet date; and</p> <p>(c) where an undertaking's balance sheet date precedes or follows the consolidated balance sheet date by more than three months, that undertaking shall be consolidated on the basis of interim financial statements drawn up as at the consolidated balance sheet date.</p>	<p>require <del>or permit</del> consolidated <del>accounts</del> <u>financial statements</u> to be drawn up as at another date in order to take account of the balance sheet dates of the largest number or the most important of the undertakings included in the consolidation. <del>Where use is made of this derogation, provided that:</del></p> <p><u>(a)</u> that fact shall be disclosed in the <del>note</del> <u>ennotes to</u> the consolidated <del>accounts together with the financial statements and</del> reasons <del>therefor. In addition, given;</del></p> <p><u>(b)</u> account <del>must</del> <u>shall</u> be taken, or disclosure made, of important events concerning the assets and liabilities, the financial position <del>or and</del> the profit or loss of an undertaking included in a consolidation which have occurred between that undertaking's balance sheet date and the consolidated balance sheet date. <del>and</del></p> <p><del>3. Where</del> <u>(c) where</u> an undertaking's balance sheet date precedes <del>or follows</del> the consolidated balance sheet date by more than three months, that undertaking shall be consolidated on the basis of interim <del>accounts</del> <u>financial statements</u> drawn up as at the consolidated balance sheet date.</p>
7 <sup>th</sup>	<p><i>Article 28</i></p> <p>If the composition of the undertakings included in a consolidation has changed significantly in the course of a financial year, the consolidated accounts must include information which makes the comparison of successive sets of consolidated accounts meaningful. Where such a change is a major one, a Member State may require or permit this obligation to be fulfilled by the preparation of an adjusted opening balance sheet and an adjusted profit-and-loss account.</p>	<p><i>Article 24(9)</i></p> <p>9. If the composition of the undertakings included in a consolidation has changed significantly in the course of a financial year, the consolidated financial statements shall include information which makes the comparison of successive sets of consolidated financial statements meaningful. This obligation may be fulfilled by the preparation of an adjusted comparative balance sheet and an adjusted comparative profit and loss account.</p>	<p><i>Article <del>28</del>24(9)</i></p> <p><u>9.</u> If the composition of the undertakings included in a consolidation has changed significantly in the course of a financial year, the consolidated <del>accounts must</del> <u>financial statements shall</u> include information which makes the comparison of successive sets of consolidated <del>accounts</del> <u>financial statements</u> meaningful. <del>Where such a change is a major one, a Member State may require or permit this</del> <u>This</u> obligation <del>to</del> <u>may</u> be fulfilled by the preparation of an adjusted <del>opening</del> <u>comparative</u> balance sheet and an adjusted <del>comparative</del> <u>profit- and -loss</u> account.</p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p><i>Article 29</i></p> <p>1. Assets and liabilities to be included in consolidated accounts shall be valued according to uniform methods and in accordance with Sections 7 and 7a and Article 60 of Directive 78/660/EEC.</p>	<p>Article 24(10)</p> <p>10. Assets and liabilities included in consolidated financial statements shall be measured on a uniform basis and in accordance with Chapter 2.</p>	<p>Article <del>29</del><u>24(10)</u></p> <p><del>4</del><u>10</u>. Assets and liabilities <del>to be</del> included in consolidated <del>accounts</del><u>financial statements</u> shall be <del>valued according to</del><u>measured on a</u> uniform <del>methods</del><u>basis</u> and in accordance with <del>Sections 7 and 7a and Article 60 of Directive 78/660/EEC-Chapter 2.</del></p>
7 <sup>th</sup>	<p>2. (a) An undertaking which draws up consolidated accounts must apply the same methods of valuation as in its annual accounts. However, a Member State may require or permit the use in consolidated accounts of other methods of valuation in accordance with the abovementioned Articles of Directive 78/660/EEC.</p> <p>(b) Where use is made of this derogation that fact shall be disclosed in the notes on the consolidated accounts and the reasons therefor given.</p>	<p>Article 24(11)</p> <p>11. An undertaking which draws up consolidated financial statements shall apply the same measurement bases as are applied in its annual financial statements. However, Member States may permit or require that other measurement bases in accordance with Chapter 2 be used in consolidated financial statements. Where use is made of this derogation, that fact shall be disclosed in the notes to the consolidated financial statements and reasons given.</p>	<p><del>2-</del><u>(a)Article 24(11)</u></p> <p><del>11</del>. An undertaking which draws up consolidated <del>accounts must</del><u>financial statements shall</u> apply the same <del>methods of valuation</del><u>measurement bases</u> as <del>are applied</del> in its annual <del>accounts</del><u>financial statements</u>. However, <del>a Member State</del><u>States</u> may <del>permit or</del> require <del>or permit the use in consolidated accounts of that</del> other <del>methods of valuation</del><u>measurement bases</u> in accordance with <del>the abovementioned Articles of Directive 78/660/EEC-</del></p> <p><del>(b)</del><u>Chapter 2 be used in consolidated financial statements</u>. Where use is made of this derogation, that fact shall be disclosed in the notes <del>on to</del> the consolidated <del>accounts</del><u>financial statements</u> and <del>the</del> reasons <del>therefor</del> given.</p>
7 <sup>th</sup>	<p>3. Where assets and liabilities to be included in consolidated accounts have been valued by undertakings included in the consolidation by methods differing from those used for the consolidation, they must be revalued in accordance with the methods used for the consolidation, unless the results of such revaluation are not material for the purposes of Article 16 (3). Departures from this principle shall be permitted in exceptional cases. Any such departures shall be disclosed in the notes on the consolidated accounts and the reasons for them given.</p>	<p>Article 24(12)</p> <p>12. Where assets and liabilities included in consolidated financial statements have been measured by undertakings included in the consolidation using bases differing from those used for the purposes of the consolidation, those assets and liabilities shall be re-measured in accordance with the bases used for the consolidation. Departures from this requirement shall be permitted in exceptional cases. Any such departures shall be disclosed in the notes to the consolidated financial statements and reasons given.</p>	<p><del>3</del><u>Article 24(12)</u></p> <p><del>12</del>. Where assets and liabilities <del>to be</del> included in consolidated <del>accounts</del><u>financial statements</u> have been <del>valued</del><u>measured</u> by undertakings included in the consolidation <del>by methods</del><u>using bases</u> differing from those used for the <del>purposes of the consolidation, they must be revalued</del><u>those assets and liabilities shall be re-measured</u> in accordance with the <del>methods</del><u>bases</u> used for the consolidation, <del>unless the results of such revaluation are not material for the purposes of Article 16 (3)-.</del> Departures from this <del>principle</del><u>requirement</u> shall be permitted in</p>

	Content	Examples	Explanation
			exceptional cases. Any such departures shall be disclosed in the notes <del>on</del> <u>to</u> the consolidated <del>accounts</del> <u>financial statements</u> and <del>the</del> reasons <del>for</del> <del>them</del> given.
7 <sup>th</sup>	4. Account shall be taken in the consolidated balance sheet and in the consolidated profit-and-loss account of any difference arising on consolidation between the tax chargeable for the financial year and for preceding financial years and the amount of tax paid or payable in respect of those years, provided that it is probable that an actual charge to tax will arise within the foreseeable future for one of the undertakings included in the consolidation.	Article 24(13) 13. Deferred tax balances shall be recognised on consolidation provided that it is probable that a charge to tax will arise within the foreseeable future for one of the undertakings included in the consolidation.	<del>4. Account</del> <u>Article 24(13)</u> <u>13. Deferred tax balances</u> shall be <del>taken in the consolidated balance sheet and in the consolidated profit and loss account of any difference arising</del> <u>recognised</u> on consolidation <del>between the tax chargeable for the financial year and for preceding financial years and the amount of tax paid or payable in respect of those years,</del> provided that it is probable that <del>an actual</del> <u>a</u> charge to tax will arise within the foreseeable future for one of the undertakings included in the consolidation.
7 <sup>th</sup>	5. Where assets to be included in consolidated accounts have been the subject of exceptional value adjustments solely for tax purposes, they shall be incorporated in the consolidated accounts only after those adjustments have been eliminated. A Member State may, however, require or permit that such assets be incorporated in the consolidated accounts without the elimination of the adjustments, provided that their amounts, together with the reasons for them, are disclosed in the notes on the consolidated accounts.	Article 24(14) 14. Where assets included in consolidated financial statements have been the subject of value adjustments solely for tax purposes, they shall be incorporated in the consolidated financial statements only after those adjustments have been eliminated.	<del>5</del> <u>Article 24(14)</u> <u>14. Where assets</u> <del>to be</del> included in consolidated <del>accounts</del> <u>financial statements</u> have been the subject of <del>exceptional</del> value adjustments solely for tax purposes, they shall be incorporated in the consolidated <del>accounts</del> <u>financial statements</u> only after those adjustments have been eliminated. <del>A Member State may, however, require or permit that such assets be incorporated in the consolidated accounts without the elimination of the adjustments, provided that their amounts, together with the reasons for them, are disclosed in the notes on the consolidated accounts.</del>
7 <sup>th</sup>	<i>Article 30</i> 1. A separate item as defined in Article 19 (1) (c) which corresponds to a positive consolidation difference shall be dealt with in accordance with the rules laid down in Directive 78/660/EEC for the item	Article 24(3), point (c) (c) any difference remaining after the application of point (a) or resulting from the application of point (b) shall be shown as goodwill in the consolidated balance sheet;	<i>Article 30</i> <del>1. A separate item as defined in Article 19 (1)</del> <u>24(3), point (c)</u> which corresponds to a positive consolidation difference shall be dealt with in accordance with the rules laid down in Directive

	Content	Examples	Explanation
	'goodwill'.		<a href="#">78/660/EEC for the item</a> 'goodwill'. <a href="#">(c) any difference remaining after the application of point (a) or resulting from the application of point (b) shall be shown as goodwill in the consolidated balance sheet.</a>
7 <sup>th</sup>	2. A Member State may permit a positive consolidation difference to be immediately and clearly deducted from reserves.	/	<a href="#">2. A Member State may permit a positive consolidation difference to be immediately and clearly deducted from reserves./</a>
7 <sup>th</sup>	<i>Article 31</i> An amount shown as a separate item, as defined in Article 19 (1) (c), which corresponds to a negative consolidation difference may be transferred to the consolidated profit-and-loss account only: (a) where that difference corresponds to the expectation at the date of acquisition of unfavourable future results in that undertaking, or to the expectation of costs which that undertaking would incur, in so far as such an expectation materializes; or (b) in so far as such a difference corresponds to a realized gain.	Article 24(3), point (f) (f) negative goodwill may be transferred to the consolidated profit and loss account where such a treatment is in accordance with the principles set out in Chapter 2.	<a href="#">Article <del>31</del>24(3), point (f)</a> <a href="#">An amount shown as a separate item, as defined in Article 19 (1) (c), which corresponds to a (f) negative consolidation difference goodwill may be transferred to the consolidated profit- and- loss account only: (a) where that difference corresponds to such a treatment is in accordance with the expectation at the date of acquisition of unfavourable future results principles set out in that undertaking, or to the expectation of costs which that undertaking would incur, in so far as such an expectation materializes; or (b) in so far as such a difference corresponds to a realized gain Chapter 2.</a>
7 <sup>th</sup>	<i>Article 32</i> 1. Where an undertaking included in a consolidation manages another undertaking jointly with one or more undertakings not included in that consolidation, a Member State may require or permit the inclusion of that other undertaking in the consolidated accounts in proportion to the rights in its capital held by the undertaking included in the consolidation. 2. Articles 13 to 31 shall apply <i>mutatis mutandis</i> to the proportional consolidation referred to in paragraph 1 above.	Article 26 Proportional consolidation 1. Where an undertaking included in a consolidation manages another undertaking jointly with one or more undertakings not included in that consolidation, Member States may permit or require the inclusion of that other undertaking in the consolidated financial statements in proportion to the rights in its capital held by the undertaking included in the consolidation. 2. Article 23(9) and (10) and Article 24 shall apply <i>mutatis mutandis</i> to the proportional consolidation referred to in paragraph 1 of this Article.	Article <del>32</del> 26 <a href="#">Proportional consolidation</a> 1. Where an undertaking included in a consolidation manages another undertaking jointly with one or more undertakings not included in that consolidation, <del>a</del> Member <del>State</del> States may <del>permit or</del> require <del>or permit</del> the inclusion of that other undertaking in the consolidated <del>accounts</del> financial statements in proportion to the rights in its capital held by the undertaking included in the consolidation. 2. <del>Articles 13 to 31</del> Article 23(9) and (10) and <del>Article 24</del> shall apply <i>mutatis mutandis</i> to the proportional consolidation referred to in paragraph 1 <del>above of this Article.</del>

	Content	Examples	Explanation
7 <sup>th</sup>	3. Where this Article is applied, Article 33 shall not apply if the undertaking proportionally consolidated is an associated undertaking as defined in Article 33.	/	<del>3. Where this Article is applied, Article 33 shall not apply if the undertaking proportionally consolidated is an associated undertaking as defined in Article 33./</del>
7 <sup>th</sup>	<p style="text-align: center;"><i>Article 33</i></p> <p>1. Where an undertaking included in a consolidation exercises a significant influence over the operating and financial policy of an undertaking not included in the consolidation (an associated undertaking) in which it holds a participating interest, as defined in Article 17 of Directive 78/660/EEC, that participating interest shall be shown in the consolidated balance sheet as a separate item with an appropriate heading. An undertaking shall be presumed to exercise a significant influence over another undertaking where it has 20 % or more of the shareholders' or members' voting rights in that undertaking. Article 2 shall apply.</p> <p>2. When this Article is applied for the first time to a participating interest covered by paragraph 1 above, that participating interest shall be shown in the consolidated balance sheet either:</p> <p>(a) at its book value calculated in accordance with the valuation rules laid down in Directive 78/660/EEC. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by that participating interest shall be disclosed separately in the consolidated balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which that method is used for the first time; or</p> <p>(b) at an amount corresponding to the proportion of the associated undertaking's capital and reserves represented by that participating interest. The difference between that amount and the book value calculated in accordance with the valuation rules laid down in Directive 78/660/EEC shall be disclosed separately in the consolidated balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which that method is used for the first time.</p> <p>(c) A Member State may prescribe the application of one or other of (a) and (b) above. The consolidated</p>	<p style="text-align: center;"><i>Article 27</i></p> <p>Equity accounting of associated undertakings</p> <p>1. Where an undertaking included in a consolidation has an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet as a separate item with an appropriate heading.</p> <p>2. When this Article is applied for the first time to an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet either:</p> <p>(a) at its book value calculated in accordance with the measurement rules laid down in Chapters 2 and 3. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest in that associated undertaking shall be disclosed separately in the consolidated balance sheet or in the notes to the consolidated financial statements. That difference shall be calculated as at the date on which that method is used for the first time; or</p> <p>(b) at an amount corresponding to the proportion of the associated undertaking's capital and reserves represented by the participating interest in that associated undertaking. The difference between that amount and the book value calculated in accordance with the measurement rules laid down in Chapters 2 and 3 shall be disclosed separately in the consolidated balance sheet or in the notes to the consolidated financial statements. That difference shall be calculated as at the date on which that method is used for the first time.</p> <p>A Member State may prescribe the application of one or other of the options provided for in points</p>	<p style="text-align: center;"><i>Article 3327</i></p> <p><u>Equity accounting of associated undertakings</u></p> <p>1. Where an undertaking included in a consolidation <del>exercises a significant influence over the operating and financial policy of</del> <u>has an associated</u> undertaking <del>not included in the consolidation (an, that associated undertaking) in which it holds a participating interest, as defined in Article 17 of Directive 78/660/EEC, that participating interest</del> shall be shown in the consolidated balance sheet as a separate item with an appropriate heading.</p> <p><del>An undertaking shall be presumed to exercise a significant influence over another undertaking where it has 20 % or more of the shareholders' or members' voting rights in that undertaking. Article 2 shall apply.</del></p> <p>2. When this Article is applied for the first time to <del>a participating interest covered by paragraph 1 above, that participating interest</del> <u>an associated undertaking, that associated undertaking</u> shall be shown in the consolidated balance sheet either:</p> <p>(a) at its book value calculated in accordance with the <del>valuation</del> <u>measurement</u> rules laid down in <del>Directive 78/660/EEC</del> <u>Chapters 2 and 3</u>. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by <del>that</del> <u>the</u> participating interest <del>in that associated undertaking</del> <u>shall be disclosed separately in the consolidated balance sheet or in the notes</u> <del>onto the accounts</del> <u>consolidated financial statements</u>. That difference shall be calculated as at the date <del>as at</del> <u>on</u> which that method is used for the first time; or</p> <p>(b) at an amount corresponding to the proportion of the associated undertaking's capital</p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>balance sheet or the notes on the accounts must indicate whether (a) or (b) has been used.</p> <p>(d) In addition, for the purposes of (a) and (b) above, a Member State may require or permit the calculation of the difference as at the date of acquisition of the shares or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.</p> <p>3. Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article 29 (2), they may, for the purpose of calculating the difference referred to in paragraph 2 (a) or (b) above, be revalued by the methods used for consolidation. Where such revaluation has not been carried out that fact must be disclosed in the notes on the accounts. A Member State may require such revaluation.</p> <p>4. The book value referred to in paragraph 2 (a) above, or the amount corresponding to the proportion of the associated undertaking's capital and reserves referred to in paragraph 2 (b) above, shall be increased or reduced by the amount of any variation which has taken place during the financial year in the proportion of the associated undertaking's capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to that participating interest.</p> <p>5. In so far as the positive difference referred to in paragraph 2 (a) or (b) above cannot be related to any category of assets or liabilities it shall be dealt with in accordance with Articles 30 and 39 (3).</p> <p>6. The proportion of the profit or loss of the associated undertakings attributable to such participating interests shall be shown in the consolidated profit-and-loss account as a separate item under an appropriate heading.</p> <p>7. The eliminations referred to in Article 26 (1) (c) shall be effected in so far as the facts are known or can be ascertained. Article 26 (2) and (3) shall apply.</p> <p>8. Where an associated undertaking draws up consolidated accounts, the foregoing provisions shall apply to the capital and reserves shown in such</p>	<p>(a) and (b). In such cases, the consolidated balance sheet or the notes to the consolidated financial statements shall indicate which of those options has been used.</p> <p>In addition, for the purposes of points (a) and (b), a Member State may permit or require the calculation of the difference as at the date of acquisition of the shares or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.</p> <p>3. Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article 24(11), they may, for the purpose of calculating the difference referred to in points (a) and (b) of paragraph 2, be revalued by the methods used for consolidation. Where such revaluation has not been carried out, that fact shall be disclosed in the notes to the consolidated financial statements. A Member State may require such revaluation.</p> <p>4. The book value referred to in point (a) of paragraph 2, or the amount corresponding to the proportion of the associated undertaking's capital and reserves referred to in point (b) of paragraph 2, shall be increased or reduced by the amount of any variation which has taken place during the financial year in the proportion of the associated undertaking's capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to that participating interest.</p> <p>5. In so far as the positive difference referred to in points (a) and (b) of paragraph 2 cannot be related to any category of assets or liabilities, it shall be treated in accordance with the rules applicable to the item "goodwill" as set out in point (d) of Article 12(6), the first subparagraph of Article 12(11), point (c) of Article 24(3), and</p>	<p>and reserves represented by <del>that</del>the participating interest <del>in that associated undertaking</del>. The difference between that amount and the book value calculated in accordance with the <del>valuation measurement</del> rules laid down in <del>Directive 78/660/EEC</del> Chapters 2 and 3 shall be disclosed separately in the consolidated balance sheet or in the notes <del>on</del>to the <del>accounts consolidated financial statements</del>. That difference shall be calculated as at the date <del>as at</del>on which that method is used for the first time.</p> <p><del>(e)</del>A Member State may prescribe the application of one or other of <del>the options provided for in points (a) and (b) above. The</del> <u>options provided for in points (a) and (b) above</u>. <del>In such cases, the consolidated balance sheet or the notes on the accounts must to the consolidated financial statements shall indicate whether (a) or (b) which of those options has been used.</del></p> <p><del>(d)</del>In addition, for the purposes of <del>points (a) and (b) above</del>, a Member State may <del>permit or require or permit</del> the calculation of the difference as at the date of acquisition of the shares or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.</p> <p>3. Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article <del>29</del>(24(11)), they may, for the purpose of calculating the difference referred to in <del>points (a) and (b) of paragraph 2 (a) or (b) above</del>, be revalued by the methods used for consolidation. Where such revaluation has not been carried out, that fact <del>must</del>shall be disclosed in the notes <del>on</del>to the <del>accounts consolidated financial statements</del>. A Member State may require such revaluation.</p> <p>4. The book value referred to in <del>point (a) of paragraph 2 (a) above</del>, or the amount</p>



	Content	Examples	Explanation
7 <sup>th</sup>	<p>consolidated accounts.</p> <p>9. This Article need not be applied where the participating interest in the capital of the associated undertaking is not material for the purposes of Article 16 (3).</p>	<p>Annex III and Annex IV.</p> <p>6. The proportion of the profit or loss of the associated undertakings attributable to the participating interests in such associated undertakings shall be shown in the consolidated profit and loss account as a separate item under an appropriate heading.</p> <p>7. The eliminations referred to in Article 24(7) shall be effected in so far as the facts are known or can be ascertained.</p> <p>8. Where an associated undertaking draws up consolidated financial statements, paragraphs 1 to 7 shall apply to the capital and reserves shown in such consolidated financial statements.</p> <p>9. This Article need not be applied where the participating interest in the capital of the associated undertaking is not material.</p>	<p>corresponding to the proportion of the associated undertaking's capital and reserves referred to in <a href="#">point (b) of paragraph 2-(b) above</a>, shall be increased or reduced by the amount of any variation which has taken place during the financial year in the proportion of the associated undertaking's capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to that participating interest.</p> <p>5. In so far as the positive difference referred to in <a href="#">points (a) and (b) of paragraph 2 (a) or (b) above</a> cannot be related to any category of assets or liabilities, it shall be <del>dealt with</del><a href="#">treated</a> in accordance with <del>Articles 30 and 39</del> <a href="#">the rules applicable to the item "goodwill" as set out in point (d) of Article 12(6), the first subparagraph of Article 12(11), point (c) of Article 24(3), and Annex III and Annex IV.</a></p> <p>6. The proportion of the profit or loss of the associated undertakings attributable to <del>such</del><a href="#">the</a> participating interests <a href="#">in such associated undertakings</a> shall be shown in the consolidated profit- and- loss account as a separate item under an appropriate heading.</p> <p>7. The eliminations referred to in Article <del>26 (1) (€24(7))</del> shall be effected in so far as the facts are known or can be ascertained.<del>Article 26 (2) and (3) shall apply.</del></p> <p>8. Where an associated undertaking draws up consolidated <del>accounts, the foregoing provisions</del><a href="#">financial statements, paragraphs 1 to 7</a> shall apply to the capital and reserves shown in such consolidated <del>accounts</del><a href="#">financial statements</a>.</p> <p>9. This Article need not be applied where the participating interest in the capital of the associated undertaking is not material<del>for the purposes of Article 16 (3).</del></p>

	Content	Examples	Explanation
7 <sup>n</sup>	<p style="text-align: center;"><i>Article 34</i></p> <p>In addition to the information required under other provisions of this Directive, the notes on the accounts must set out information in respect of the following matters at least:</p> <p>1. The valuation methods applied to the various items in the consolidated accounts, and the methods employed in calculating the value adjustments.</p>	<p style="text-align: center;">Article 16(1), point (a) and Article 28 (1)</p> <p style="text-align: center;">Content of the notes to the financial statements relating to all undertakings</p> <p>(a) accounting policies adopted;</p> <p style="text-align: center;">The notes to the consolidated financial statements</p> <p>1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</p> <p>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</p> <p>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated; and</p> <p>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</p>	<p style="text-align: center;"><del>Article 34</del>16(1), point (a) and Article 28 (1)</p> <p style="text-align: center;"><del>In addition to Content of the notes to the financial statements relating to all undertakings</del></p> <p style="text-align: center;"><del>(b) accounting policies adopted;</del></p> <p style="text-align: center;"><u>The notes to the consolidated financial statements</u></p> <p><u>1. The notes to the consolidated financial statements shall set out</u> the information required <u>by Articles 16, 17 and 18, in addition to any other information required</u> under other provisions of this Directive, <del>the notes on the accounts must set out information in respect of in</del> <u>a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following</u> <del>matters at least:</del></p> <p><del>1. The valuation methods applied to the various items</del><u>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</u></p> <p><u>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated</u> <del>accounts;</del> <u>and</u> <del>the methods employed in calculating</del></p> <p><u>(c) in disclosing the value adjustments</u> <del>amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and</del></p>

	Content	Examples	Explanation
			<p><u>its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</u></p>
7 <sup>th</sup>	<p>For items included in the consolidated accounts which are or were originally expressed in foreign currency the bases of conversion used to express them in the currency in which the consolidated accounts are drawn up must be disclosed.</p>	/	<p><del>For items included in the consolidated accounts which are or were originally expressed in foreign currency the bases of conversion used to express them in the currency in which the consolidated accounts are drawn up must be disclosed./</del></p>
		<p>Article 28 (2) The notes to the consolidated financial statements 2. The notes to the consolidated financial statements shall, in addition to the information required under paragraph 1, set out the following information:</p>	<p><u>Article 28 (2)</u> <u>2. The notes to the consolidated financial statements shall, in addition to the information required under paragraph 1, set out the following information:</u></p>
7 <sup>th</sup>	<p>2. (a) The names and registered offices of the undertakings included in the consolidation; the proportion of the capital held in undertakings included in the consolidation, other than the parent undertaking, by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings; which of the conditions referred to in Articles 1 and 12 (1) following application of Article 2 has formed the basis on which the consolidation has been carried out. The latter disclosure may, however, be omitted where consolidation has been carried out on the basis of Article 1 (1) (a) and where the proportion of the capital and the proportion of the voting rights held are the same. (b) The same information must be given in respect of undertakings excluded from a consolidation pursuant to Article 13 and an explanation must be given for the exclusion of the undertakings referred to in Article 13.</p>	<p>Article 28(2), point (a) (a) in relation to undertakings included in the consolidation: (i) the names and registered offices of those undertakings, (ii) the proportion of the capital held in those undertakings, other than the parent undertaking, by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings, and (iii) information as to which of the conditions referred to in Article 22(1), (2) and (7) following the application of Article 22(3), (4) and (5) has formed the basis on which the consolidation has been carried out. That disclosure may, however, be omitted where consolidation has been carried out on the basis of point (a) of Article 22(1) and where the proportion of the capital and the proportion of the voting rights held are the same. The same information shall be given in respect of</p>	<p><u>Article 28(2), point (a) The names and registered offices of the</u> <u>(a) in relation to</u> undertakings included in the consolidation; <u>(i) the names and registered offices of those undertakings,</u> <u>(ii) the proportion of the capital held in those</u> undertakings <del>included in the consolidation</del>, other than the parent undertaking, by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings; <u>(iii) information as to</u> which of the conditions referred to in <del>Articles</del> <u>Article 22(1), (2) and 42</u> <del>(4)(7)</del> <u>(4) and (5)</u> following <u>the</u> application of Article <del>222(3),</del> <u>22(3),</u> <u>(4) and (5)</u> has formed the basis on which the consolidation has been carried out. <del>The latter</del> <u>That</u> disclosure may, however, be omitted where consolidation has been carried out on the basis of <del>Article 1 (4) point (a) of Article 22(1)</del> <u>point (a) of Article 22(1)</u> and</p>

	Content	Examples	Explanation
		undertakings excluded from a consolidation on the grounds of immateriality pursuant to point (j) of Article 6(1) and Article 23(10), and an explanation shall be given for the exclusion of the undertakings referred to in Article 23(9);	where the proportion of the capital and the proportion of the voting rights held are the same. <del>(b)</del> The same information <u>must/shall</u> be given in respect of undertakings excluded from a consolidation <u>on the grounds of immateriality</u> pursuant to <u>point (j) of Article 136(1) and Article 23(10)</u> , and an explanation <u>must/shall</u> be given for the exclusion of the undertakings referred to in Article <u>43-23(9)</u> ;
7 <sup>th</sup>	3 (a) The names and registered offices of undertakings associated with an undertaking included in the consolidation as described in Article 33 (1) and the proportion of their capital held by undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings.	Article 28(2), point (b) (b) the names and registered offices of associated undertakings included in the consolidation as described in Article 27(1) and the proportion of their capital held by undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings	<del>3-(a) The</del> <u>Article 28(2), point (b)</u> <del>(b) the</del> names and registered offices of <u>associated</u> undertakings <u>associated with an undertaking</u> included in the consolidation as described in Article <del>33-27</del> (1) and the proportion of their capital held by undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings-
7 <sup>th</sup>	(b) The same information must be given in respect of the associated undertakings referred to in Article 33 (9), together with the reasons for applying that provision.	/	<del>(b) The same information must be given in respect of the associated undertakings referred to in Article 33 (9), together with the reasons for applying that provision-!</del>
7 <sup>th</sup>	4. The names and registered offices of undertakings proportionally consolidated pursuant to Article 32, the factors on which joint management is based, and the proportion of their capital held by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings.	Article 28(2), point (c) (c) the names and registered offices of undertakings proportionally consolidated under Article 26, the factors on which joint management of those undertakings is based, and the proportion of their capital held by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings	<del>4.-The</del> <u>Article 28(2), point (c)</u> <del>(c) the</del> names and registered offices of undertakings proportionally consolidated <u>pursuant to under</u> Article <del>32-26</del> , the factors on which joint management <u>of those undertakings</u> is based, and the proportion of their capital held by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings-
7 <sup>th</sup>	5. The name and registered office of each of the undertakings, other than those referred to in paragraphs 2, 3 and 4 above, in which undertakings included in the consolidation _____, either themselves or through persons acting in their own names but on behalf of those undertakings, hold at least a percentage of the capital which the Member States cannot fix at more than 20 %, showing the proportion of the capital held, the amount of the	Article 28(2), point (d) (d) in relation to each of the undertakings, other than those referred to in points (a), (b) and (c), in which undertakings included in the consolidation, either themselves or through persons acting in their own names but on behalf of those undertakings, hold a participating interest:	<del>5. The name and registered office of</del> <u>Article 28(2), point (d)</u> <del>(d) in relation to</del> each of the undertakings, other than those referred to in <u>paragraphs 2, 3 points (a), (b) and 4 above,</u> (c), in which undertakings included in the consolidation _____, either themselves or through persons acting in their own names but on behalf of those

	Content	Examples	Explanation
	<p>capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which accounts have been adopted. This information may be omitted where, for the purposes of Article 16 (3), it is of negligible importance only. The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet and where less than 50 % of its capital is held (directly or indirectly) by the abovementioned undertakings.</p>	<p>(i) the name and registered office of those undertakings,  (ii) the proportion of the capital held,  (iii) the amount of the capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted.</p> <p>The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet.</p>	<p>undertakings, hold <u>at least a percentage participating interest:</u>  <u>(i) the name and registered office of the capital which the Member States cannot fix at more than 20 %, showing those undertakings.</u>  <u>(ii) the proportion of the capital held,</u>  <u>(iii) the amount of the capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which accounts have been adopted. This information may be omitted where, for the purposes of Article 16 (3), it is of negligible importance only. financial statements have been adopted.</u></p> <p>The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet <u>and where less than 50 % of its capital is held (directly or indirectly) by the abovementioned undertakings.</u></p>
7 <sup>th</sup>	<p>6. The total amount shown as owed in the consolidated balance sheet and becoming due and payable after more than five years, as well as the total amount shown as owed in the consolidated balance sheet and covered by valuable security furnished by undertakings included in the consolidation, with an indication of the nature and form of the security.</p>	<p>Article 16(1), point (g) and Article 28 (1)</p> <p>Content of the notes to the financial statements relating to all undertakings</p> <p>(g) amounts owed by the undertaking becoming due and payable after more than five years, as well as the undertaking's entire debts covered by valuable security furnished by the undertaking, with an indication of the nature and form of the security</p> <p>The notes to the consolidated financial statements</p> <p>1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the</p>	<p><u>6. The total amount shown as Article 16(1), point (g) and Article 28 (1)</u>  <u>Content of the notes to the financial statements relating to all undertakings</u>  <u>(g) amounts owed in by the consolidated balance sheet and undertaking becoming due and payable after more than five years, as well as the total amount shown as owed in the consolidated balance sheet and undertaking's entire debts covered by valuable security furnished by undertakings included in the consolidation the undertaking, with an indication of the nature and form of the security-</u>  <u>The notes to the consolidated financial statements</u>  <u>1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other</u></p>

	Content	Examples	Explanation
		<p>particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</p> <p>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</p> <p>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated; and</p> <p>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</p>	<p><u>provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</u></p> <p><u>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</u></p> <p><u>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated; and</u></p> <p><u>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</u></p>
7 <sup>th</sup>	<p>7. The total amount of any financial commitments that are not included in the consolidated balance sheet, in so far as this information is of assistance in assessing the financial position of the undertakings included in the consolidation taken as a whole. Any commitments concerning pensions and affiliated undertakings which are not included in the consolidation must be disclosed separately.</p>	<p>Article 16(1), point (d) and Article 28</p> <p>Content of the notes to the financial statements relating to all undertakings</p> <p>(d) the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions and affiliated or associated undertakings shall be disclosed separately</p> <p>The notes to the consolidated financial statements</p> <p>1. The notes to the consolidated financial</p>	<p><del>7. The</del> <u>Article 16(1), point (d) and Article 28</u></p> <p><u>Content of the notes to the financial statements relating to all undertakings</u></p> <p><u>(d) the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions and affiliated or associated undertakings shall be disclosed separately</u></p> <p><u>The notes to the consolidated balance sheet, in so far as this financial statements</u></p>

	Content	Examples	Explanation
		<p>statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</p> <p>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</p> <p>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated; and</p> <p>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</p>	<p><u>1. The notes to the consolidated financial statements shall set out the information <del>is of assistance</del> required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in <del>assessing a way which facilitates the assessment of</del> the financial position of the undertakings included in the consolidation taken as a whole. <del>Any commitments concerning pensions and affiliated undertakings which are not,</del> taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</u></p> <p><u>(a) in disclosing transactions between related parties, transactions between related parties included in <del>the</del> consolidation <del>must be disclosed separately that are eliminated on consolidation shall not be included;</del></u></p> <p><u>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated; and</u></p> <p><u>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</u></p>
7 <sup>th</sup>	7a. The nature and business purpose of any arrangements that are not included in the consolidated balance sheet, and the financial impact of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or	<p>Article 17(1), point (p)</p> <p>Additional disclosures for medium-sized and large undertakings and public-interest entities</p> <p>(p) the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial</p>	<p><del>7a. The</del> <u>Article 17(1), point (p)</u></p> <p><u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u></p> <p><u>(p) the nature and business purpose of <del>any</del>the undertaking's arrangements that are not</u></p>

	Content	Examples	Explanation
	benefits is necessary for assessing the financial position of the undertakings included in the consolidation taken as a whole.	impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking;	included in the <del>consolidated</del> balance sheet, and the financial impact <u>on the undertaking</u> of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for <u>the purposes of assessing the financial position of the undertakings included in the consolidation taken as a whole-undertaking</u> ;
7 <sup>th</sup>	7b. The transactions, save for intra-group transactions, entered into by the parent undertaking, or by other undertakings included in the consolidation, with related parties, including the amounts of such transactions, the nature of the related party relationship as well as other information about the transactions necessary for an understanding of the financial position of the undertakings included in the consolidation taken as a whole, if such transactions are material and have not been concluded under normal market conditions. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of the related party transactions on the financial position of the undertakings included in the consolidation taken as a whole.	<p>Article 17(1), point (r)</p> <p>(r) transactions which have been entered into with related parties by the undertaking, including the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the undertaking. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the undertaking.</p> <p>Member States may permit or require that only transactions with related parties that have not been concluded under normal market conditions be disclosed.</p> <p>Member States may permit that transactions entered into between one or more members of a group be not disclosed, provided that subsidiaries which are party to the transaction are wholly owned by such a member.</p> <p>Member States may permit that a medium-sized undertaking limit the disclosure of transactions with related parties to transactions entered into with:</p> <p>(i) owners holding a participating interest in the undertaking;</p> <p>(ii) undertakings in which the undertaking itself</p>	<p><del>7b. The</del>Article 17(1), point (r)</p> <p><u>(r) transactions, save for intra-group transactions, which have been entered into by the parent undertaking, or by other undertakings included in the consolidation, with related parties, by the undertaking, including the amountsamount of such transactions, the nature of the related party relationship as well asand other information about the transactions necessary for an understanding of the financial position of the undertakings included in the consolidation taken as a whole, if such transactions are material and have not been concluded under normal market conditions-undertaking.</u> Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of <del>the</del> related party transactions on the financial position of the <u>undertaking.</u></p> <p><u>Member States may permit or require that only transactions with related parties that have not been concluded under normal market conditions be disclosed.</u></p> <p><u>Member States may permit that transactions entered into between one or more members of a group be not disclosed, provided that subsidiaries which are party to the transaction are wholly owned by such a member.</u></p>



	Content	Examples	Explanation
		has a participating interest; and (iii) members of the administrative, management or supervisory bodies of the undertaking.	<u>Member States may permit that a medium-sized undertaking limit the disclosure of transactions with related parties to transactions entered into with:</u> <u>(i) owners holding a participating interest in the undertaking;</u> <u>(ii) undertakings included in which the consolidation taken as undertaking itself has a whole participating interest; and</u> <u>(iii) members of the administrative, management or supervisory bodies of the undertaking.</u>
7 <sup>th</sup>	8. The consolidated net turnover as defined in Article 28 of Directive 78/660/EEC broken down by categories of activity and into geographical markets in so far as, taking account of the manner in which the sale of products and the provision of services falling within the ordinary activities of the undertakings included in the consolidation taken as a whole are organized, these categories and markets differ substantially from one another.	Article 18(1), point (a) Additional disclosures for large undertakings and public-interest entities (a) the net turnover broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services are organised	<del>8. The consolidated Article 18(1), point (a) Additional disclosures for large undertakings and public-interest entities</del> <u>(a) the net turnover as defined in Article 28 of Directive 78/660/EEC</u> broken down by categories of activity and into geographical markets, in so far as <u>those categories and markets differ substantially from one another</u> , taking account of the manner in which the sale of products and the provision of services <u>falling within the ordinary activities of the undertakings included in the consolidation taken as a whole are organized, these categories and markets differ substantially from one another are organised</u>
7 <sup>th</sup>	9. a) The average number of persons employed during the financial year by undertakings included in the consolidation broken down by categories and, if they are not disclosed separately in the consolidated profit-and-loss account, the staff costs relating to the financial year.	Article 17(1), point (e) Additional disclosures for medium-sized and large undertakings and public-interest entities (e) the average number of employees during the financial year, broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken down between wages and salaries, social security costs and pension costs	<del>9. a) The Article 17(1), point (e)</del> <u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u> <u>(e) the average number of persons employed employees</u> during the financial year <u>by undertakings included in the consolidation</u> , broken down by categories and, if they are not disclosed separately in the <u>consolidated profit- and- loss account, the staff costs relating to the financial year, broken down between wages and salaries, social security costs and pension costs</u>
7 <sup>th</sup>	b) The average number of persons employed during	Article 28(1), point (b) The notes to the consolidated financial	<u>Article 28(1), point (b)</u>

	Content	Examples	Explanation
	the financial year by undertakings to which Article 32 has been applied shall be disclosed separately.	statements  (b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated	The <a href="#">notes to the consolidated financial statements</a>  (b) in disclosing the average number of <del>persons</del> <a href="#">employees</a> employed during the financial year, <del>there shall be separate disclosure of the average number of employees employed by undertakings to which Article 32 has been applied shall be disclosed separately that are proportionately consolidated</del>
7 <sup>th</sup>	10. The extent to which the calculation of the consolidated profit or loss for the financial year has been affected by a valuation of the items which, by way of derogation from the principles enunciated in Articles 31 and 34 to Article 42c of Directive 78/660/EEC and in Article 29 (5) of this Directive, was made in the financial year in question or in an earlier financial year with a view to obtaining tax relief. Where the influence of such a valuation on the future tax charges of the undertakings included in the consolidation taken as a whole is material, details must be disclosed.	/	<del>10. The extent to which the calculation of the consolidated profit or loss for the financial year has been affected by a valuation of the items which, by way of derogation from the principles enunciated in Articles 31 and 34 to Article 42c of Directive 78/660/EEC and in Article 29 (5) of this Directive, was made in the financial year in question or in an earlier financial year with a view to obtaining tax relief. Where the influence of such a valuation on the future tax charges of the undertakings included in the consolidation taken as a whole is material, details must be disclosed.</del>
7 <sup>th</sup>	11. The difference between the tax charged to the consolidated profit and-loss account for the financial year and to those for earlier financial years and the amount of tax payable in respect of those years, provided that this difference is material for the purposes of future taxation. This amount may also be disclosed in the balance sheet as a cumulative amount under a separate item with an appropriate heading.	Article 17 (1), point (f) and Article 28 (1) Additional disclosures for medium-sized and large undertakings and public-interest entities  (f) where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year  The notes to the consolidated financial statements  1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the	<del>11. The difference between the tax charged to the consolidated profit and-loss account for the financial year and to those for earlier financial years and the amount of tax payable in respect of those years, provided that this difference is material for the purposes of future taxation. This amount may also be disclosed in the balance sheet as a cumulative amount under a separate item with an appropriate heading.</del> Article 17 (1), point (f) and Article 28 (1)  <a href="#">Additional disclosures for medium-sized and large undertakings and public-interest entities</a>  (f) where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year  <a href="#">The notes to the consolidated financial statements</a>  1. The notes to the consolidated financial

	Content	Examples	Explanation
		<p>particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</p> <p>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</p> <p>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated; and</p> <p>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</p>	<p><u>statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</u></p> <p><u>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</u></p> <p><u>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated; and</u></p> <p><u>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</u></p>
7 <sup>th</sup>	<p>12. The amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies of the parent undertaking by reason of their responsibilities in the parent undertaking and its subsidiary undertakings, and any commitments arising or entered into under the same conditions in respect of retirement pensions for former members of those bodies, with an indication of the total for each category. A Member State may require that</p>	<p>Article 28(1), point (c)</p> <p>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</p>	<p><u>12. The amount of Article 28(1), point (c) (c) in disclosing the amounts of emoluments and advances and credits granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies of the parent undertaking by reason of their responsibilities in, only amounts granted by the parent undertaking and its subsidiary undertakings, and any commitments arising or entered into under the same conditions in respect of retirement pensions for former members</u></p>

	Content	Examples	Explanation
	<p>emoluments granted by reason of responsibilities assumed in undertakings linked as described in Article 32 or 33 shall also be included with the information specified in the first sentence.</p> <p>13. The amount of advances and credits granted to the members of the administrative, managerial and supervisory bodies of the parent undertaking by that undertaking or by one of its subsidiary undertakings, with indications of the interest rates, main conditions and any amounts repaid, as well as commitments entered into on their behalf by way of guarantee of any kind with an indication of the total for each category. A Member State may require that advances and credits granted by undertakings linked as described in Article 32 or 33 shall also be included with the information specified in the first sentence.</p>		<p><del>of those bodies, with an indication of the total for each category. A Member State may require that emoluments granted by reason of responsibilities assumed in undertakings linked as described in Article 32 or 33 shall also be included with the information specified in the first sentence.</del></p> <p><del>13. The amount of advances and credits granted to the <u>to</u> members of the administrative, managerial and supervisory bodies of the parent undertaking <u>by</u> that undertaking or by one of its subsidiary undertakings, with indications of the interest rates, main conditions and any amounts repaid, as well as commitments entered into on their behalf by way of guarantee of any kind with an indication of the total for each category. A Member State may require that advances and credits granted by undertakings linked as described in Article 32 or 33 shall also be included with the information specified in the first sentenceshall be disclosed.</del></p>
7 <sup>th</sup>	<p>14. Where valuation at fair value of financial instruments has been applied in accordance with Section 7a of Directive 78/660/EEC:</p> <p>(a) the significant assumptions underlying the valuation models and techniques where fair values have been determined in accordance with Article 42b(1)(b) of that Directive;</p> <p>(b) per category of financial instruments, the fair value, the changes in value included directly in the profit and loss account as well as, in accordance with Article 42c of that Directive, changes included in the fair value reserve;</p> <p>(c) for each class of derivative financial instruments, information about the extent and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows; and (d) a table showing movements in the fair value reserve during the financial year.</p>	<p>Article 16(1), point (c) and Article 28 (1)</p> <p>Content of the notes to the financial statements relating to all undertakings</p> <p>(c) where financial instruments and/or assets other than financial instruments are measured at fair value:</p> <p>(i) the significant assumptions underlying the valuation models and techniques where fair values have been determined in accordance with point (b) of Article 8(7),</p> <p>(ii) for each category of financial instrument or asset other than financial instruments, the fair value, the changes in value included directly in the profit and loss account and changes included in fair value reserves,</p> <p>(iii) for each class of derivative financial instrument, information about the extent and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows, and</p>	<p><del>14. Where valuation at fair value</del>Article 16(1), point (c) and Article 28 (1)</p> <p><u>Content of the notes to the financial statements relating to all undertakings</u></p> <p><u>(c) where financial instruments has been applied in accordance with Section 7a of Directive 78/660/EECand/or assets other than financial instruments are measured at fair value:</u></p> <p><u>(a) the significant assumptions underlying the valuation models and techniques where fair values have been determined in accordance with point (b) of Article 42b(1)(b) of that Directive;8(7).</u></p> <p><u>(b) per(i) for each category of financial instrument or asset other than financial instruments, the fair value, the changes in value included directly in the profit and loss account as well as, in accordance with Article 42c of that Directive, and changes included in the fair value reserve;reserves.</u></p>

	Content	Examples	Explanation
7 <sup>th</sup>		<p>(iv) a table showing movements in fair value reserves during the financial year;</p> <p>The notes to the consolidated financial statements</p> <p>1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</p> <p>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</p> <p>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated</p> <p>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</p>	<p><del>(ciii)</del> for each class of derivative financial <del>instruments</del><del>instrument</del>, information about the extent and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows; <del>and</del> <del>(d)</del></p> <p><del>(iv)</del> a table showing movements in <del>the</del> fair value <del>reserve</del><del>reserves</del> during the financial year;</p> <p><u>The notes to the consolidated financial statements</u></p> <p><u>1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</u></p> <p><u>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</u></p> <p><u>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated</u></p> <p><u>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</u></p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>15. Where valuation at fair value of financial instruments has not been applied in accordance with Section 7a of Directive 78/660/EEC:</p> <p>(a) for each class of derivative instruments:</p> <p>(i) the fair value of the instruments, if such a value can be determined by any of the methods prescribed in Article 42b(1) of that Directive;</p> <p>(ii) information about the extent and the nature of the instruments; and</p> <p>(b) for financial fixed assets covered by Article 42a of that Directive, carried at an amount in excess of their fair value and without use being made of the option to make a value adjustment in accordance with Article 35(1)(c)(aa) of that Directive:</p> <p>(i) the book value and the fair value of either the individual assets or appropriate groupings of those individual assets;</p> <p>(ii) the reasons for not reducing the book value, including the nature of the evidence that provides the basis for the belief that the book value will be recovered.</p>	<p>Article 17(1), point (c) and Article 28 (1)</p> <p>Additional disclosures for medium-sized and large undertakings and public-interest entities</p> <p><del>(b)</del>(c) where financial instruments are measured at purchase price or production cost</p> <p>The notes to the consolidated financial statements</p> <p>1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</p> <p>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</p> <p>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated</p> <p>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</p>	<p><u>15. Where valuation at fair value of Article 17(1), point (c) and Article 28 (1)</u></p> <p><u>Additional disclosures for medium-sized and large undertakings and public-interest entities</u></p> <p><u>(d) where financial instruments has not been applied are measured at purchase price or production cost</u></p> <p><u>The notes to the consolidated financial statements</u></p> <p><u>1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in accordance with Section 7a of addition to any other information required under other provisions of this Directive 78/660/EEC, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</u></p> <p><u>(a) for each class of derivative instruments:</u></p> <p><u>(i) the fair value of the instruments, if such a value can be determined by any of the methods prescribed in Article 42b(1) of that Directive;</u></p> <p><u>(ii) information about the extent and the nature of the instruments; and</u></p> <p><u>(b) for financial fixed assets covered by Article 42a of that Directive, carried at an amount in excess of their fair value and without use being made of the option to make a value adjustment in accordance with Article 35(1)(c)(aa) of that Directive:</u></p> <p><u>(i) the book value and the fair value of either the individual assets or appropriate groupings of those individual assets;</u></p> <p><u>(ii) the reasons for not reducing the book value,</u></p>

	Content	Examples	Explanation
			<p><del>including the nature of the evidence that provides the basis for the belief that the book value will be recovered.</del> <u>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</u></p> <p><u>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated</u></p> <p><u>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</u></p>
7 <sup>th</sup>	<p>16. Separately, the total fees for the financial year charged by the statutory auditor or audit firm for the statutory audit of the consolidated accounts, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services.</p>	<p>Article 18(1), point (b) and Article 28 (1)</p> <p>Additional disclosures for large undertakings and public-interest entities</p> <p><del>(e)</del><u>(e)</u> the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements, and the total fees charged by each statutory auditor or audit firm for other assurance services, for tax advisory services and for other non-audit services.</p> <p>The notes to the consolidated financial statements</p> <p>1. The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which</p>	<p><del>16. Separately, Article 18(1), point (b) and Article 28</del> <u>(1)</u></p> <p><u>Additional disclosures for large undertakings and public-interest entities</u></p> <p><u>(f)</u> the total fees for the financial year charged by <del>the each</del> statutory auditor or audit firm for the statutory audit of the <del>consolidated accounts, annual financial statements, and</del> the total fees charged <u>by each statutory auditor or audit firm</u> for other assurance services, <del>the total fees charged</del> for tax advisory services and <del>the total fees charged</del> for other non-audit services.</p> <p><u>The notes to the consolidated financial statements</u></p> <p><u>1. The notes to the consolidated financial</u></p>

	Content	Examples	Explanation
		<p>facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</p> <p>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</p> <p>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated</p> <p>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</p>	<p><u>statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:</u></p> <p><u>(a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;</u></p> <p><u>(b) in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated</u></p> <p><u>(c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</u></p>
7 <sup>th</sup>	<p><i>Article 35</i></p> <p>1. A Member State may allow the disclosures prescribed in Article 34 (2), (3), (4) and (5):</p> <p>(a) to take the form of a statement deposited in accordance with Article 3 (1) and (2) of Directive 68/151/EEC; this must be disclosed in the notes on the accounts;</p> <p>(b) to be omitted when their nature is such that they would be seriously prejudicial to any of the undertakings affected by these provisions. A Member State may make such omissions subject to prior administrative or judicial authorization. Any such</p>	<p>Article 28 (3)</p> <p>The notes to the consolidated financial statements</p> <p>3. Member States may allow the information required by points (a) to (d) of paragraph 2 to take the form of a statement filed in accordance with Article 3(3) of Directive 2009/101/EC. The filing of such a statement shall be disclosed in the notes to the consolidated financial statements. Member States may also allow that information to be omitted when its nature is</p>	<p>Article <del>35</del>28 (3)</p> <p><del>1. A3.</del> Member <del>State</del>States may allow the disclosures prescribed in Article 34 (2), (3), (4) and <del>(5)</del>:</p> <p><u>information required by points (a) to (d) of paragraph 2 to take the form of a statement deposited</u><del>filed</del> in accordance with Article 3<del>(1) and (2)</del>(3) of Directive <del>68/151/EEC</del>; <del>this must</del>2009/101/EC. The filing of such a statement <del>shall</del> be disclosed in the notes <del>on</del>to the <del>accounts</del>;</p> <p><del>(b)</del><u>consolidated financial statements. Member States may also allow that information to be</u></p>



	Content	Examples	Explanation
	omission must be disclosed in the notes on the accounts.	such that its disclosure would be seriously prejudicial to any of the undertakings to which it relates. Member States may make such omissions subject to prior administrative or judicial authorisation. Any such omission shall be disclosed in the notes to the consolidated financial statements.	omitted when <del>their</del> its nature is such that <del>they</del> its <u>disclosure</u> would be seriously prejudicial to any of the undertakings <del>affected by these provisions. A to which it relates.</del> Member <del>State</del> States may make such omissions subject to prior administrative or judicial <del>authorization</del> authorisation. Any such omission <del>must</del> shall be disclosed in the notes <del>on</del> to the <u>accounts</u> . <u>consolidated financial statements.</u>
7 <sup>th</sup>	2. Paragraph 1 (b) shall also apply to the information prescribed in Article 34 (8).	/	<del>2. Paragraph 1 (b) shall also apply to the information prescribed in Article 34 (8).</del>
7 <sup>th</sup>	<b>SECTION 3</b> <b>The consolidated annual report</b>		<b>SECTION 3</b> <b>The consolidated annual report</b>
7 <sup>th</sup>	<p><i>Article 36</i></p> <p>1. The consolidated annual report shall include at least a fair review of the development and performance of the business and of the position of the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face. The review shall be a balanced and comprehensive analysis of the development and performance of the business and of the position of the undertakings included in the consolidation taken as a whole, consistent with the size and complexity of the business. To the extent necessary for an understanding of such development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters.</p> <p>In providing its analysis, the consolidated annual report shall, where appropriate, provide references to and additional explanations of amounts reported in the consolidated accounts.</p>	<p>Article 19(1) and Article 29(1)</p> <p>Contents of the management report</p> <p>1. The management report shall include a fair review of the development and performance of the undertaking's business and of its position, together with a description of the principal risks and uncertainties that it faces.</p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the undertaking's business and of its position, consistent with the size and complexity of the business.</p> <p>To the extent necessary for an understanding of the undertaking's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters. In providing the analysis, the management report shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.</p>	<p>Article <del>36</del> <u>19(1) and Article 29(1)</u></p> <p><u>Contents of the management report</u></p> <p><u>1. The <del>consolidated annual</del>management report shall include <del>at least</del> a fair review of the development and performance of the <del>undertaking's</del> business and of <del>their</del>its position <del>of the undertakings included in the consolidation taken as a whole</del>, together with a description of the principal risks and uncertainties that <del>they</del> <u>face</u>it <u>faces</u>.</u></p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the <u>undertaking's</u> business and of <u>theirits position <del>of the undertakings included in the consolidation taken as a whole</del>, consistent with the size and complexity of the business.</u></p> <p>To the extent necessary for an understanding of <del>such</del>the <u>undertaking's</u> development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and</p>

	Content	Examples	Explanation
		<p>The consolidated management report</p> <p>1. The consolidated management report shall, as a minimum, in addition to any other information required under other provisions of this Directive, set out the information required by Articles 19 and 20, taking account of the essential adjustments resulting from the particular characteristics of a consolidated management report as compared to a management report in a way which facilitates the assessment of the position of the undertakings included in the consolidation taken as a whole.</p>	<p>employee matters. <u>In providing the analysis, the management report shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.</u></p> <p><del>In providing its analysis, the</del></p> <p><u>The consolidated annual management report</u></p> <p><u>1. The consolidated management report shall, where appropriate, provide references as a minimum, in addition to any other information required under other provisions of this Directive, set out the information required by Articles 19 and additional explanations of amounts reported in 20, taking account of the consolidated accounts. essential adjustments resulting from the particular characteristics of a consolidated management report as compared to a management report in a way which facilitates the assessment of the position of the undertakings included in the consolidation taken as a whole.</u></p>
7 <sup>th</sup>	<p>2. In respect of those undertakings, the report shall also give an indication of:</p> <p>(a) any important events that have occurred since the end of the financial year;</p>	/	<p><del>2. In respect of those undertakings, the report shall also give an indication of:</del></p> <p><del>(a) any important events that have occurred since the end of the financial year;</del></p> <p>/</p>
7 <sup>th</sup>	<p>(b) the likely future development of those undertakings taken as a whole;</p>	<p>Article 19 (2), points (b) and (c)</p> <p>Contents of the management report</p> <p>(b) activities in the field of research and development;</p> <p>(c) the information concerning acquisitions of own shares prescribed by Article 24(2) of Directive 2012/30/EU</p>	<p><u>Article 19 (2), points (b) and (c)</u></p> <p><u>Contents of the likely future management report</u></p> <p><u>(b) activities in the field of research and development of those undertakings taken as a whole;</u></p> <p><u>(c) the information concerning acquisitions of own shares prescribed by Article 24(2) of Directive 2012/30/EU</u></p>
		Article 29 (2)	<u>Article 29 (2)</u>

	Content	Examples	Explanation
		<p>The consolidated management report</p> <p>2. The following adjustments to the information required by Articles 19 and 20 shall apply:</p>	<p><u>The consolidated management report</u></p> <p><u>2. The following adjustments to the information required by Articles 19 and 20 shall apply:</u></p>
7 <sup>th</sup>	<p>(d) the number and nominal value or, in the absence of a nominal value, the accounting par value of all of the parent undertaking's shares held by that undertaking itself, by subsidiary undertakings of that undertaking or by a person acting in his own name but on behalf of those undertakings. A Member State may require or permit the disclosure of these particulars in the notes on the accounts;</p>	<p>Article 29(2), point (a)</p> <p>(a) in reporting details of own shares acquired, the consolidated management report shall indicate the number and nominal value or, in the absence of a nominal value, the accounting par value of all of the parent undertaking's shares held by that parent undertaking, by subsidiary undertakings of that parent undertaking or by a person acting in his own name but on behalf of any of those undertakings. A Member State may permit or require the disclosure of those particulars in the notes to the consolidated financial statements</p>	<p><del>(d)</del> <u>Article 29(2), point (a)</u></p> <p><u>(a) in reporting details of own shares acquired, the consolidated management report shall indicate</u> the number and nominal value or, in the absence of a nominal value, the accounting par value of all of the parent undertaking's shares held by that <u>parent</u> undertaking <del>itself</del>, by subsidiary undertakings of that <u>parent</u> undertaking or by a person acting in his own name but on behalf of <u>any of</u> those undertakings. A Member State may <u>permit or</u> require <del>or permit</del> the disclosure of <del>these</del> <u>those</u> particulars in the notes <del>on</del> <u>to</u> the <del>accounts;</del> <u>consolidated financial statements</u></p>
7 <sup>th</sup>	<p>(e) in relation to the use by the undertakings of financial instruments and, where material for the assessment of assets, liabilities, financial position and profit or loss,</p> <ul style="list-style-type: none"> <li>— the financial risk management objectives and policies of the undertakings, including their policies for hedging each major type of forecasted transaction for which hedge accounting is used, and</li> <li>— the exposure to price risk, credit risk, liquidity risk and cash flow risk<sup>36</sup>;</li> </ul>	<p>Article 19(2), point (e) and Article 29 (1)</p> <p>Contents of the management report</p> <p>(e) in relation to the undertaking's use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss</p> <p>1. The consolidated management report shall, as a minimum, in addition to any other information required under other provisions of this Directive, set out the information required by Articles 19 and 20, taking account of the essential adjustments resulting from the particular characteristics of a consolidated management report as compared to a management report in a way which facilitates the assessment of the position of the undertakings included in the consolidation taken as a whole.</p>	<p><u>Article 19(2), point (e) and Article 29 (1)</u></p> <p><u>Contents of the management report</u></p> <p>(e) in relation to the <u>undertaking's</u> use <del>by the undertakings</del> of financial instruments and; where material for the assessment of <u>its</u> assets, liabilities, financial position and profit or loss,</p> <ul style="list-style-type: none"> <li><del>— the financial risk management objectives and policies of the undertakings, including their policies for hedging each major type of forecasted transaction for which hedge accounting is used, and</del></li> <li><del>— the exposure to price risk, credit risk, liquidity risk and cash flow risk<sup>36</sup>;</del> <u>1. The consolidated management report shall, as a minimum, in addition to any other information required under other provisions of this Directive, set out the information required by Articles 19 and 20, taking account of the essential adjustments resulting from the particular characteristics of a consolidated management report as compared to a management report in a way which facilitates the assessment of the position of the undertakings included in the consolidation taken</u></li> </ul>

	Content	Examples	Explanation
			<u>as a whole.</u>
7 <sup>th</sup>	<p>(f) a description of the main features of the group's internal control and risk management systems in relation to the process for preparing consolidated accounts, where an undertaking has its securities admitted to trading on a regulated market within the meaning of Article 4(1), point (14) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments <sup>(21)</sup>. In the event that the consolidated annual report and the annual report are presented as a single report, this information must be included in the section of the report containing the corporate governance statement as provided for by Article 46a of Directive 78/660/EEC.</p> <p>If a Member State permits the information required by paragraph 1 of Article 46a of Directive 78/660/EEC to be set out in a separate report published together with the annual report in the manner prescribed by Article 47 of that Directive, the information provided under the first subparagraph shall also form part of that separate report. Article 37(1), second subparagraph of this Directive shall apply.</p>	<p>Article 29(2), point (b)</p> <p>The consolidated management report</p> <p>(b) in reporting on internal control and risk management systems, the corporate governance statement shall refer to the main features of the internal controls and risk management systems for the undertakings included in the consolidation, taken as a whole.</p>	<p><del>(f) a description of the main features of the group's internal control and risk management systems in relation to the process for preparing consolidated accounts, where an undertaking has its securities admitted to trading on a regulated market within the meaning of Article 4(1), point (14) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments <sup>(22)</sup>. In the event that the consolidated annual report and the annual report are presented as a single report, this information must be included in the section of the report containing the corporate governance statement as provided for by Article 46a of Directive 78/660/EEC.</del></p> <p><del>If a Member State permits the information required by paragraph 1 of Article 46a of Directive 78/660/EEC to be set out in a separate report published together with the annual report in the manner prescribed by Article 47 of that Directive, the information provided under the first subparagraph shall also form part of that separate report. Article 37(1), second subparagraph of this Directive shall apply.</del>Article 29(2), point (b)</p> <p><u>The consolidated management report</u></p> <p><u>(b) in reporting on internal control and risk management systems, the corporate governance statement shall refer to the main features of the internal controls and risk management systems for the undertakings included in the consolidation, taken as a whole.</u></p>
7 <sup>th</sup>	<p>Article 36 (3)</p> <p>3. Where a consolidated annual report is required in addition to an annual report, the two reports may be presented as a single report. In preparing such a</p>	<p>Article 29(3)</p> <p>3. Where a consolidated management report is required in addition to the management report,</p>	<p>Article <del>36-29</del>(3)</p> <p>3. Where a consolidated <del>annual</del><u>management</u> report is required in addition to <del>an annual</del><u>the</u></p>

<sup>21</sup> OJ L 145, 30.4.2004, p. 1.

<sup>22</sup> ~~OJ L 145, 30.4.2004, p. 1.~~

	Content	Examples	Explanation
	single report, it may be appropriate to give greater emphasis to those matters which are significant to the undertakings included in the consolidation taken as a whole.	the two reports may be presented as a single report.	<a href="#">management</a> report, the two reports may be presented as a single report. <del>In preparing such a single report, it may be appropriate to give greater emphasis to those matters which are significant to the undertakings included in the consolidation taken as a whole.</del>
7 <sup>th</sup>	<b>SECTION 3A</b> <b>Duty and liability for drawing up and publishing the consolidated accounts and the consolidated annual report</b>		<b>SECTION 3A</b> <b>Duty and liability for drawing up and publishing the consolidated accounts and the consolidated annual report</b>
7 <sup>th</sup>	<i>Article 36a</i> Member States shall ensure that the members of the administrative, management and supervisory bodies of undertakings drawing up the consolidated accounts and the consolidated annual report have collectively the duty to ensure that the consolidated accounts, the consolidated annual report and, when provided separately, the corporate governance statement to be provided pursuant to Article 46a of Directive 78/660/EEC are drawn up and published in accordance with the requirements of this Directive and, where applicable, in accordance with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards <sup>(23)</sup> . Such bodies shall act within the competences assigned to them by national law.	Article 33(1), point (b) Responsibility and liability for drawing up and publishing the financial statements and the management report (b) the consolidated financial statements, consolidated management reports and, when provided separately, the consolidated corporate governance statement, are drawn up and published in accordance with the requirements of this Directive and, where applicable, with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002.	Article <del>36a</del> <u>33(1), point (b)</u> <del>Member States shall ensure that</del> <a href="#">Responsibility and liability for drawing up and publishing the members of financial statements and the administrative, management and supervisory bodies of undertakings drawing up report</a> (b) the consolidated <del>accounts and the financial statements</del> , consolidated <del>annual report</del> have collectively the duty to ensure that the consolidated accounts, the consolidated annual report <del>management reports</del> and, when provided separately, the <del>consolidated</del> corporate governance statement <del>to be provided pursuant to Article 46a of Directive 78/660/EEC</del> , are drawn up and published in accordance with the requirements of this Directive and, where applicable, <del>in accordance</del> with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 <del>of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards</del> <sup>(24)</sup> . Such bodies shall act within the competences assigned to them by national law.
7 <sup>th</sup>	<i>Article 36b</i>	Article 33(2)	Article <del>36b</del> <u>33(2)</u>

<sup>23</sup> OJ L 243, 11.9.2002, p. 1.

<sup>24</sup> ~~OJ L 243, 11.9.2002, p. 1.~~

	Content	Examples	Explanation
	Member States shall ensure that their laws, regulations and administrative provisions on liability apply to the members of the administrative, management and supervisory bodies referred to in Article 36a, at least towards the undertaking drawing up the consolidated accounts, for breach of the duty referred to in Article 36a.	2. Member States shall ensure that their laws, regulations and administrative provisions on liability, at least towards the undertaking, apply to the members of the administrative, management and supervisory bodies of the undertakings for breach of the duties referred to in paragraph 1.	<u>2. Member States shall ensure that their laws, regulations and administrative provisions on liability, at least towards the undertaking, apply to the members of the administrative, management and supervisory bodies referred to in Article 36a, at least towards the undertaking drawing up the consolidated accounts, of the undertakings for breach of the dutyduties referred to in Article 36a-paragraph 1.</u>
7 <sup>th</sup>	<b>SECTION 4</b> <b>The auditing of consolidated accounts</b>		<b>SECTION 4</b> <b>The auditing of consolidated accounts</b>
7 <sup>th</sup>	<i>Article 37</i> 1. The consolidated accounts of companies shall be audited by one or more persons approved by the Member State whose laws govern the parent undertaking to carry out statutory audits on the basis of the Eighth Council Directive 84/253/EEC of 10 April 1984 on the approval of persons responsible for carrying out the statutory audits of accounting documents <sup>(25)</sup> . The person or persons responsible for auditing the consolidated accounts (hereinafter: the statutory auditors) shall also express an opinion concerning the consistency or otherwise of the consolidated annual report with the consolidated accounts for the same financial year.	Article 34 (1) and (2) General requirement 1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more statutory auditors or audit firms approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC. The statutory auditor(s) or audit firm(s) shall also: (a) express an opinion on: (i) whether the management report is consistent with the financial statements for the same financial year, and (ii) whether the management report has been prepared in accordance with the applicable legal requirements; (b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such	<i>Article 37</i> <u>34 (1. The consolidated accounts of companies) and (2)</u> <u>General requirement</u> <u>1. Member States shall beensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more personsstatutory auditors or audit firms approved by the Member State whose laws govern the parent undertakingStates to carry out statutory audits on the basis of the Eighth Council Directive 84/253/EEC of 10 April 1984 on the approval of persons responsible for carrying out the statutory audits of accounting documents -<sup>(26)</sup>-2006/43/EC. The person or persons responsible for auditing the consolidated accounts (hereinafter: the statutory auditorsThe statutory auditor(s) or audit firm(s) shall also:</u> <u>(a) express an opinion concerning the consistency or otherwise of the consolidated annualon:</u> <u>(i) whether the management report is consistent with the consolidated-accountsfinancial</u>

<sup>25</sup> OJ L 126, 12.5.1984, p. 20.

<sup>26</sup> ~~OJ L 126, 12.5.1984, p. 20.~~

	Content	Examples	Explanation
		<p>misstatements.</p> <p>2. The first subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements. The second subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements and consolidated management reports.</p>	<p><u>statements for the same financial year-, and</u>  <u>(ii) whether the management report has been prepared in accordance with the applicable legal requirements;</u>  <u>(b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.</u>  <u>2. The first subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements. The second subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements and consolidated management reports.</u></p>
7 <sup>th</sup>	<p>2. The report of the statutory auditors shall include:</p> <p>(a) an introduction which shall at least identify the consolidated accounts which are the subject of the statutory audit, together with the financial reporting framework that has been applied in their preparation;</p> <p>(b) a description of the scope of the statutory audit which shall at least identify the auditing standards in accordance with which the statutory audit was conducted;</p> <p>(c) an audit opinion which shall state clearly the opinion of the statutory auditors as to whether the consolidated accounts give a true and fair view in accordance with the relevant financial reporting framework and, where appropriate, whether the consolidated accounts comply with statutory requirements; the audit opinion shall be either unqualified, qualified, an adverse opinion or, if the statutory auditors are unable to express an audit opinion, a disclaimer of opinion;</p> <p>(d) a reference to any matters to which the statutory auditors draw attention by way of emphasis without</p>	<p style="text-align: center;">Article 35</p> <p>1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more statutory auditors or audit firms approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC.</p> <p>The statutory auditor(s) or audit firm(s) shall also:</p> <p>(a) express an opinion on:</p> <p>(i) whether the management report is consistent with the financial statements for the same financial year, and</p> <p>(ii) whether the management report has been prepared in accordance with the applicable legal requirements;</p> <p>(b) state whether, in the light of the knowledge and understanding of the undertaking and its</p>	<p><del>2. The report of the statutory auditors shall include:</del>  <del>(a) an introduction which shall at least identify the consolidated accounts which are the subject of the statutory audit, together with the financial reporting framework that has been applied in their preparation;</del>  <del>(b) a description of the scope of the statutory audit which shall at least identify the auditing standards in accordance with which the statutory audit was conducted;</del>  <del>(c) an audit opinion which shall state clearly the opinion of the statutory auditors as to whether the consolidated accounts give a true and fair view in accordance with the relevant financial reporting framework and, where appropriate, whether the consolidated accounts comply with statutory requirements; the audit opinion shall be either unqualified, qualified, an adverse opinion or, if the statutory auditors are unable to express an audit opinion, a disclaimer of opinion;</del>  <del>(d) a reference to any matters to which the statutory auditors draw attention by way of emphasis without</del></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	<p>qualifying the audit opinion;  (e) an opinion concerning the consistency or otherwise of the consolidated annual report with the consolidated accounts for the same financial year.</p>	<p>environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.</p> <p>2. The first subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements. The second subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements and consolidated management reports.</p>	<p><del>qualifying the audit opinion;  (e) an opinion concerning the consistency or otherwise of the consolidated annual report with the consolidated accounts for the same financial year.</del> <u>Article 35</u></p> <p><u>1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more statutory auditors or audit firms approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC.</u></p> <p><u>The statutory auditor(s) or audit firm(s) shall also:</u></p> <p><u>(a) express an opinion on:</u></p> <p><u>(i) whether the management report is consistent with the financial statements for the same financial year, and</u></p> <p><u>(ii) whether the management report has been prepared in accordance with the applicable legal requirements;</u></p> <p><u>(b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.</u></p> <p><u>2. The first subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements. The second subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements and consolidated management reports.</u></p>
7 <sup>th</sup>	3. The report shall be signed and dated by the statutory auditors.	/	<del>3. The report shall be signed and dated by the statutory auditors./</del>



	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
7 <sup>th</sup>	<p>4. Where the annual accounts of the parent undertaking are attached to the consolidated accounts, the report of the statutory auditors required by this Article may be combined with any report of the statutory auditors on the annual accounts of the parent undertaking required by Article 51 of Directive 78/660/EEC.</p>	<p><b>Article 35</b></p> <p>1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more statutory auditors or audit firms approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC.</p> <p>The statutory auditor(s) or audit firm(s) shall also:</p> <p>(a) express an opinion on:</p> <p>(i) whether the management report is consistent with the financial statements for the same financial year, and</p> <p>(ii) whether the management report has been prepared in accordance with the applicable legal requirements;</p> <p>(b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.</p> <p>2. The first subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements. The second subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements and consolidated management reports.</p>	<p><b>Article 35</b></p> <p><del>4. Where the annual accounts of the parent undertaking are attached to the consolidated accounts, the report of the</del></p> <p><u>1. Member States shall ensure that the financial statements of public-interest entities, medium-sized and large undertakings are audited by one or more statutory auditors required by this Article may be combined with any report of the or audit firms approved by Member States to carry out statutory auditors audits on the annual accounts of the parent undertaking required by Article 51 basis of Directive 78/660/EEC-2006/43/EC.</u></p> <p><u>The statutory auditor(s) or audit firm(s) shall also:</u></p> <p><u>(a) express an opinion on:</u></p> <p><u>(i) whether the management report is consistent with the financial statements for the same financial year, and</u></p> <p><u>(ii) whether the management report has been prepared in accordance with the applicable legal requirements;</u></p> <p><u>(b) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.</u></p> <p><u>2. The first subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements. The second subparagraph of paragraph 1 shall apply mutatis mutandis with respect to consolidated financial statements and consolidated management reports.</u></p>
7 <sup>th</sup>	<b>SECTION 5</b>		<b>SECTION 5</b>

	Content	Examples	Explanation
	<b>The publication of consolidated accounts</b>		<b>The publication of consolidated accounts</b>
7 <sup>th</sup>	<p><i>Article 38</i></p> <p>1. Consolidated accounts, duly approved, and the consolidated annual report, together with the opinion submitted by the person responsible for auditing the consolidated accounts, shall be published for the undertaking which drew up the consolidated accounts as laid down by the laws of the Member State which govern it in accordance with Article 3 of Directive 68/151/EEC.</p>	<p>Article 30(1), first subparagraph and 30(3), first subparagraph</p> <p>General publication requirement</p> <p>1. Member States shall ensure that undertakings publish within a reasonable period of time, which shall not exceed 12 months after the balance sheet date, the duly approved annual financial statements and the management report, together with the opinion submitted by the statutory auditor or audit firm referred to in Article 34 of this Directive, as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC.</p> <p>3. Paragraph 1 shall apply with respect to consolidated financial statements and consolidated management reports.</p>	<p>Article 38</p> <p><del>30(1) Consolidated accounts, duly approved, first subparagraph and the consolidated annual 30(3), first subparagraph</del></p> <p><u>General publication requirement</u></p> <p><u>1. Member States shall ensure that undertakings publish within a reasonable period of time, which shall not exceed 12 months after the balance sheet date, the duly approved annual financial statements and the management report, together with the opinion submitted by the person responsible for auditing the consolidated accounts, shall be published for the undertaking which drew up the consolidated accounts, statutory auditor or audit firm referred to in Article 34 of this Directive, as laid down by the laws of the each Member State which govern it in accordance with Article 3 Chapter 2 of Directive 68/151/EEC 2009/101/EC.</u></p> <p><u>3. Paragraph 1 shall apply with respect to consolidated financial statements and consolidated management reports.</u></p>
7 <sup>th</sup>	<p>2. The second subparagraph of Article 47 (1) of Directive 78/660/EEC shall apply with respect to the consolidated annual report.</p>	<p>Article 30(1), second subparagraph</p> <p>Member States may, however, exempt undertakings from the obligation to publish the management report where a copy of all or part of any such report can be easily obtained upon request at a price not exceeding its administrative cost.</p>	<p><del>2. The Article 30(1), second subparagraph of Article 47 (1) of Directive 78/660/EEC shall apply with respect</del></p> <p><u>Member States may, however, exempt undertakings from the obligation to publish the consolidated annual management report, where a copy of all or part of any such report can be easily obtained upon request at a price not exceeding its administrative cost.</u></p>
7 <sup>th</sup>	<p>3. The following shall be substituted for the second subparagraph of Article 47 (1) of Directive 78/660/EEC: 'It must be possible to obtain a copy of all or part of any such report upon request. The price of such a copy must not exceed its administrative</p>	/	<p><del>3. The following shall be substituted for the second subparagraph of Article 47 (1) of Directive 78/660/EEC: 'It must be possible to obtain a copy of all or part of any such report upon request. The price of such a copy must not exceed its administrative</del></p>

	Content	Examples	Explanation
7 <sup>th</sup>	cost. 4. However, where the undertaking which drew up the consolidated accounts is not established as one of the types of company listed in Article 4 and is not required by its national law to publish the documents referred to in paragraph 1 in the same manner as prescribed in Article 3 of Directive 68/151/EEC, it must at least make them available to the public at its head office. It must be possible to obtain a copy of such documents upon request. The price of such a copy must not exceed its administrative cost.	Article 30(3), second subparagraph  Where the undertaking drawing up the consolidated financial statements is established as one of the types of undertaking listed in Annex II and is not required by the national law of its Member State to publish the documents referred to in paragraph 1 in the same manner as prescribed in Article 3 of Directive 2009/101/EC, it shall, as a minimum, make those documents available to the public at its head office and a copy shall be provided upon request, the price of which shall not exceed its administrative cost.	<del>cost./</del>  <u>4. However, where Article 30(3), second subparagraph</u>  <u>Where the undertaking which drew drawing up the consolidated accounts financial statements is not established as one of the types of company undertaking listed in Article 4 Annex II and is not required by its the national law of its Member State to publish the documents referred to in paragraph 1 in the same manner as prescribed in Article 3 of Directive 68/151/EEC 2009/101/EC, it must at least shall, as a minimum, make them those documents available to the public at its head office. It must and a copy shall be possible to obtain a copy of such documents provided upon request. The, the price of such a copy must which shall not exceed its administrative cost.</u>
7 <sup>th</sup>	5. Articles 48 and 49 of Directive 78/660/EEC shall apply. 6. The Member States shall provide for appropriate sanctions for failure to comply with the publication obligations imposed in this Article.	/	<del>5. Articles 48 and 49 of Directive 78/660/EEC shall apply. 6. The Member States shall provide for appropriate sanctions for failure to comply with the publication obligations imposed in this Article.</del>  /
7 <sup>th</sup>	7. Paragraphs 2 and 3 shall not be applied in respect of companies whose securities are admitted to trading on a regulated market of any Member State within the meaning of Article 1(13) of Directive 93/22/EEC.	Article 40  Restriction of exemptions for public-interest entities  Unless expressly provided for in this Directive, Member States shall not make the simplifications and exemptions set out in this Directive available to public-interest entities. A public-interest entity shall be treated as a large undertaking regardless of its net turnover, balance sheet total or average number of employees during the financial year.	<del>Article 40 7. Paragraphs 2 and 3 shall not be applied in respect of companies whose securities are admitted to trading on a regulated market of any Member State within the meaning of Article 1(13) of Directive 93/22/EEC.</del>  <u>Restriction of exemptions for public-interest entities</u>  <u>Unless expressly provided for in this Directive, Member States shall not make the simplifications and exemptions set out in this Directive available to public-interest entities. A public-interest entity shall be treated as a large undertaking</u>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
			<u>regardless of its net turnover, balance sheet total or average number of employees during the financial year.</u>
7 <sup>th</sup>	<i>Article 38a</i> Consolidated accounts may be published in the currency in which they were drawn up and in ecus, translated at the exchange rate prevailing on the consolidated balance sheet date. That rate shall be disclosed in the notes on the accounts.	/	<del><i>Article 38a</i> Consolidated accounts may be published in the currency in which they were drawn up and in ecus, translated at the exchange rate prevailing on the consolidated balance sheet date. That rate shall be disclosed in the notes on the accounts.</del>
7 <sup>th</sup>	<b>SECTION 6</b> <b>Transitional and final provisions</b>		<b>SECTION 6</b> <b>Transitional and final provisions</b>
7 <sup>th</sup>	<i>Article 39</i> 1. When, for the first time, consolidated accounts are drawn up in accordance with this Directive for a body of undertakings which was already connected, as described in Article 1 (1), before application of the provisions referred to in Article 49 (1), a Member State may require or permit that, for the purposes of Article 19 (1) account be taken of the book value of a holding and the proportion of the capital and reserves that it represents as at a date before or the same as that of the first consolidation. 2. Paragraph 1 above shall apply <i>mutatis mutandis</i> to the valuation for the purposes of Article 33 (2) of a holding, or of the proportion of capital and reserves that it represents, in the capital of an undertaking associated with an undertaking included in the consolidation, and to the proportional consolidation referred to in Article 32. 3. Where the separate item defined in Article 19 (1) corresponds to a positive consolidation difference which arose before the date of the first consolidated accounts drawn up in accordance with this Directive, a Member State may: (a) for the purposes of Article 30 (1), permit the calculation of the limited period of more than five years provided for in Article 37 (2) of Directive 78/660/EEC as from the date of the first consolidated accounts drawn up in accordance	/	<del><i>Article 39</i> 1. When, for the first time, consolidated accounts are drawn up in accordance with this Directive for a body of undertakings which was already connected, as described in Article 1 (1), before application of the provisions referred to in Article 49 (1), a Member State may require or permit that, for the purposes of Article 19 (1) account be taken of the book value of a holding and the proportion of the capital and reserves that it represents as at a date before or the same as that of the first consolidation. 2. Paragraph 1 above shall apply <i>mutatis mutandis</i> to the valuation for the purposes of Article 33 (2) of a holding, or of the proportion of capital and reserves that it represents, in the capital of an undertaking associated with an undertaking included in the consolidation, and to the proportional consolidation referred to in Article 32. 3. Where the separate item defined in Article 19 (1) corresponds to a positive consolidation difference which arose before the date of the first consolidated accounts drawn up in accordance with this Directive, a Member State may: (a) for the purposes of Article 30 (1), permit the calculation of the limited period of more than five years provided for in Article 37 (2) of Directive 78/660/EEC as from the date of the first consolidated accounts drawn up in accordance</del>

	Content	Examples	Explanation
	with this Directive; and (b) for the purposes of Article 30 (2), permit the deduction to be made from reserves as at the date of the first consolidated accounts drawn up in accordance with this Directive.		<del>with this Directive; and (b) for the purposes of Article 30 (2), permit the deduction to be made from reserves as at the date of the first consolidated accounts drawn up in accordance with this Directive./</del>
7 <sup>th</sup>	<p style="text-align: center;"><i>Article 40</i></p> <p>1. Until expiry of the deadline imposed for the application in national law of the Directives supplementing Directive 78/660/EEC as regards the harmonization of the rules governing the annual accounts of banks and other financial institutions and insurance undertakings, a Member State may derogate from the provisions of this Directive concerning the layout of consolidated accounts, the methods of valuing the items included in those accounts and the information to be given in the notes on the accounts: (a) with regard to any undertaking to be consolidated which is a bank, another financial institution or an insurance undertaking; (b) where the undertakings to be consolidated comprise principally banks, financial institutions or insurance undertakings. They may also derogate from Article 6, but only in so far as the limits and criteria to be applied to the above undertakings are concerned.</p> <p>2. In so far as a Member State has not required all undertakings which are banks, other financial institutions or insurance undertakings to draw up consolidated accounts before implementation of the provisions referred to in Article 49 (1), it may, until its national law implements one of the Directives mentioned in paragraph 1 above, but not in respect of financial years ending after 1993: (a) suspend the application of the obligation imposed in Article 1 (1) with respect to any of the above undertakings which is a parent undertaking. That fact must be disclosed in the annual accounts of the parent undertaking and the information prescribed in point 2 of Article 43 (1) of Directive 78/660/EEC must be given for all subsidiary undertakings; (b) where consolidated accounts are drawn up and without prejudice to Article 33, permit the omission</p>	/	<p style="text-align: center;"><i>Article 40</i></p> <p><del>1. Until expiry of the deadline imposed for the application in national law of the Directives supplementing Directive 78/660/EEC as regards the harmonization of the rules governing the annual accounts of banks and other financial institutions and insurance undertakings, a Member State may derogate from the provisions of this Directive concerning the layout of consolidated accounts, the methods of valuing the items included in those accounts and the information to be given in the notes on the accounts: (a) with regard to any undertaking to be consolidated which is a bank, another financial institution or an insurance undertaking; (b) where the undertakings to be consolidated comprise principally banks, financial institutions or insurance undertakings. They may also derogate from Article 6, but only in so far as the limits and criteria to be applied to the above undertakings are concerned.</del></p> <p><del>2. In so far as a Member State has not required all undertakings which are banks, other financial institutions or insurance undertakings to draw up consolidated accounts before implementation of the provisions referred to in Article 49 (1), it may, until its national law implements one of the Directives mentioned in paragraph 1 above, but not in respect of financial years ending after 1993: (a) suspend the application of the obligation imposed in Article 1 (1) with respect to any of the above undertakings which is a parent undertaking. That fact must be disclosed in the annual accounts of the parent undertaking and the information prescribed in point 2 of Article 43 (1) of Directive 78/660/EEC must be given for all subsidiary undertakings; (b) where consolidated accounts are drawn up and without prejudice to Article 33, permit the omission</del></p>

	Content	Examples	Explanation
	<p>from the consolidation of any of the above undertakings which is a subsidiary undertaking. The information prescribed in Article 34 (2) must be given in the notes on the accounts in respect of any such subsidiary undertaking.</p> <p>3. In the cases referred to in paragraph 2 (b) above, the annual or consolidated accounts of the subsidiary undertaking must, in so far as their publication is compulsory, be attached to the consolidated accounts or, in the absence of consolidated accounts, to the annual accounts of the parent undertaking or be made available to the public. In the latter case it must be possible to obtain a copy of such documents upon request. The price of such a copy must not exceed its administrative cost.</p>		<p><del>from the consolidation of any of the above undertakings which is a subsidiary undertaking. The information prescribed in Article 34 (2) must be given in the notes on the accounts in respect of any such subsidiary undertaking.</del></p> <p><del>3. In the cases referred to in paragraph 2 (b) above, the annual or consolidated accounts of the subsidiary undertaking must, in so far as their publication is compulsory, be attached to the consolidated accounts or, in the absence of consolidated accounts, to the annual accounts of the parent undertaking or be made available to the public. In the latter case it must be possible to obtain a copy of such documents upon request. The price of such a copy must not exceed its administrative cost./</del></p>
7 <sup>th</sup>	<p><i>Article 41</i></p> <p>1. Undertakings which are connected as described in Article 1 (1) (a), (b) and (d) (bb), and those other undertakings which are similarly connected with one of the aforementioned undertakings, shall be affiliated undertakings for the purposes of this Directive and of Directive 78/660/EEC.</p>	<p>Article 2(12) Definitions</p> <p>(12) "affiliated undertakings" means any two or more undertakings within a group</p>	<p>Article <del>41</del><u>412(12)</u></p> <p><del>1. Undertakings which are connected as described in Article 1 (1) (a), (b) and (d) (bb), and those other undertakings which are similarly connected with one of the aforementioned undertakings, shall be affiliated undertakings for the purposes of this Directive and of Directive 78/660/EEC.</del><u>Definitions (12) "affiliated undertakings" means any two or more undertakings within a group</u></p>
7 <sup>th</sup>	<p>1a. 'Related party' has the same meaning as in international accounting standards adopted in accordance with Regulation (EC) No 1606/2002.</p>	<p>Article 2(3)</p> <p>(3) "related party" has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards [15]</p>	<p><del>1a. 'Related party'</del><u>Article 2(3)</u></p> <p><del>(3) "related party"</del> <u>(3) "related party"</u> has the same meaning as in <u>the</u> international accounting standards adopted in accordance with Regulation (EC) No 1606/2002- <u>of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards [15]</u></p>
7 <sup>th</sup>	<p>2. Where a Member State prescribes the preparation of consolidated accounts pursuant to Article 1 (1) (c), (d) (aa) or (2) or Article 12 (1), the undertakings which are connected as described in those Articles and those other undertakings which are connected similarly, or are connected as described in paragraph 1 above to one of the aforementioned undertakings, shall be affiliated undertakings as defined in paragraph 1.</p> <p>3. Even where a Member State does not prescribe</p>	/	<p><del>2. Where a Member State prescribes the preparation of consolidated accounts pursuant to Article 1 (1) (c), (d) (aa) or (2) or Article 12 (1), the undertakings which are connected as described in those Articles and those other undertakings which are connected similarly, or are connected as described in paragraph 1 above to one of the aforementioned undertakings, shall be affiliated undertakings as defined in paragraph 1.</del></p> <p><del>3. Even where a Member State does not prescribe</del></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	<p>the preparation of consolidated accounts pursuant to Article 1 (1) (c), (d) (aa) or (2) or Article 12 (1), it may apply paragraph 2 of this Article.</p> <p>4. Articles 2 and 3 (2) shall apply.</p> <p>5. When a Member State applies Article 4 (2), it may exclude from the application of paragraph 1 above affiliated undertakings which are parent undertakings and which by virtue of their legal form are not required by that Member State to draw up consolidated accounts in accordance with the provisions of this Directive as well as parent undertakings with a similar legal form.</p>		<p><del>the preparation of consolidated accounts pursuant to Article 1 (1) (c), (d) (aa) or (2) or Article 12 (1), it may apply paragraph 2 of this Article.</del></p> <p><del>4. Articles 2 and 3 (2) shall apply.</del></p> <p><del>5. When a Member State applies Article 4 (2), it may exclude from the application of paragraph 1 above affiliated undertakings which are parent undertakings and which by virtue of their legal form are not required by that Member State to draw up consolidated accounts in accordance with the provisions of this Directive as well as parent undertakings with a similar legal form./</del></p>
7 <sup>th</sup>	<p><i>Article 42</i></p> <p>The following shall be substituted for Article 56 of Directive 78/660/EEC:</p> <p><i>'Article 56</i></p> <p>1. The obligation to show in annual accounts the items prescribed by Articles 9, 10 and 23 to 26 which relate to affiliated undertakings, as defined by Article 41 of Directive 83/349/EEC, and the obligation to provide information concerning these undertakings in accordance with Articles 13 (2), and 14 and point 7 of Article 43 (1) shall enter into force on the date fixed in Article 49 (2) of that Directive.</p> <p>2. The notes on the accounts must also disclose:</p> <p>(a) the name and registered office of the undertaking which draws up the consolidated accounts of the largest body of undertakings of which the company forms part as a subsidiary undertaking;</p> <p>(b) the name and registered office of the undertaking which draws up the consolidated accounts of the smallest body of undertakings of which the company forms part as a subsidiary undertaking and which is also included in the body of undertakings referred to in (a) above;</p> <p>(c) the place where copies of the consolidated accounts referred to in (a) and (b) above may be obtained provided that they are available.'</p>	/	<p><i>Article 42</i></p> <p><del>The following shall be substituted for Article 56 of Directive 78/660/EEC:</del></p> <p><del><i>'Article 56</i></del></p> <p><del>1. The obligation to show in annual accounts the items prescribed by Articles 9, 10 and 23 to 26 which relate to affiliated undertakings, as defined by Article 41 of Directive 83/349/EEC, and the obligation to provide information concerning these undertakings in accordance with Articles 13 (2), and 14 and point 7 of Article 43 (1) shall enter into force on the date fixed in Article 49 (2) of that Directive.</del></p> <p><del>2. The notes on the accounts must also disclose:</del></p> <p><del>(a) the name and registered office of the undertaking which draws up the consolidated accounts of the largest body of undertakings of which the company forms part as a subsidiary undertaking;</del></p> <p><del>(b) the name and registered office of the undertaking which draws up the consolidated accounts of the smallest body of undertakings of which the company forms part as a subsidiary undertaking and which is also included in the body of undertakings referred to in (a) above;</del></p> <p><del>(c) the place where copies of the consolidated accounts referred to in (a) and (b) above may be obtained provided that they are available./</del></p>
7 <sup>th</sup>	<p><i>Article 43</i></p> <p>The following shall be substituted for Article 57 of Directive 78/660/EEC:</p> <p><i>'Article 57</i></p> <p>Notwithstanding the provisions of Directives</p>	/	<p><i>Article 43</i></p> <p><del>The following shall be substituted for Article 57 of Directive 78/660/EEC:</del></p> <p><del><i>'Article 57</i></del></p> <p><del>Notwithstanding the provisions of Directives</del></p>

	Content	Examples	Explanation
	<p>68/151/EEC and 77/91/EEC, a Member State need not apply the provisions of this Directive concerning the content, auditing and publication of annual accounts to companies governed by their national laws which are subsidiary undertakings, as defined in Directive 83/349/EEC, where the following conditions are fulfilled:</p> <p>(a) the parent undertaking must be subject to the laws of a Member State;</p> <p>(b) all shareholders or members of the subsidiary undertaking must have declared their agreement to the exemption from such obligation; this declaration must be made in respect of every financial year;</p> <p>(c) the parent undertaking must have declared that it guarantees the commitments entered into by the subsidiary undertaking;</p> <p>(d) the declarations referred to in (b) and (c) must be published by the subsidiary undertaking as laid down by the laws of the Member State in accordance with Article 3 of Directive 68/151/EEC;</p> <p>(e) the subsidiary undertaking must be included in the consolidated accounts drawn up by the parent undertaking in accordance with Directive 83/349/EEC;</p> <p>(f) the above exemption must be disclosed in the notes on the consolidated accounts drawn up by the parent undertaking;</p> <p>(g) the consolidated accounts referred to in (e), the consolidated annual report, and the report by the person responsible for auditing those accounts must be published for the subsidiary undertaking as laid down by the laws of the Member State in accordance with Article 3 of Directive 68/151/EEC.'</p>		<p><del>68/151/EEC and 77/91/EEC, a Member State need not apply the provisions of this Directive concerning the content, auditing and publication of annual accounts to companies governed by their national laws which are subsidiary undertakings, as defined in Directive 83/349/EEC, where the following conditions are fulfilled:</del></p> <p><del>(a) the parent undertaking must be subject to the laws of a Member State;</del></p> <p><del>(b) all shareholders or members of the subsidiary undertaking must have declared their agreement to the exemption from such obligation; this declaration must be made in respect of every financial year;</del></p> <p><del>(c) the parent undertaking must have declared that it guarantees the commitments entered into by the subsidiary undertaking;</del></p> <p><del>(d) the declarations referred to in (b) and (c) must be published by the subsidiary undertaking as laid down by the laws of the Member State in accordance with Article 3 of Directive 68/151/EEC;</del></p> <p><del>(e) the subsidiary undertaking must be included in the consolidated accounts drawn up by the parent undertaking in accordance with Directive 83/349/EEC;</del></p> <p><del>(f) the above exemption must be disclosed in the notes on the consolidated accounts drawn up by the parent undertaking;</del></p> <p><del>(g) the consolidated accounts referred to in (e), the consolidated annual report, and the report by the person responsible for auditing those accounts must be published for the subsidiary undertaking as laid down by the laws of the Member State in accordance with Article 3 of Directive 68/151/EEC;./</del></p>
7 <sup>th</sup>	<p><i>Article 44</i></p> <p>The following shall be substituted for Article 58 of Directive 78/660/EEC:</p> <p><i>'Article 58</i></p> <p>A Member State need not apply the provisions of this Directive concerning the auditing and publication of the profit-and-loss account to companies governed by their national laws which are parent undertakings for the purposes of Directive 83/349/EEC where the following conditions are fulfilled:</p>	/	<p><i>Article 44</i></p> <p><del>The following shall be substituted for Article 58 of Directive 78/660/EEC:</del></p> <p><del><i>'Article 58</i></del></p> <p><del>A Member State need not apply the provisions of this Directive concerning the auditing and publication of the profit-and-loss account to companies governed by their national laws which are parent undertakings for the purposes of Directive 83/349/EEC where the following conditions are fulfilled:</del></p>



	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
	<p>(a) the parent undertaking must draw up consolidated accounts in accordance with Directive 83/349/EEC and be included in the consolidated accounts;</p> <p>(b) the above exemption must be disclosed in the notes on the annual accounts of the parent undertaking;</p> <p>(c) the above exemption must be disclosed in the notes on the consolidated accounts drawn up by the parent undertaking;</p> <p>(d) the profit or loss of the parent company, determined in accordance with this Directive, must be shown in the balance sheet of the parent company.'</p>		<p><del>(a) the parent undertaking must draw up consolidated accounts in accordance with Directive 83/349/EEC and be included in the consolidated accounts;</del></p> <p><del>(b) the above exemption must be disclosed in the notes on the annual accounts of the parent undertaking;</del></p> <p><del>(c) the above exemption must be disclosed in the notes on the consolidated accounts drawn up by the parent undertaking;</del></p> <p><del>(d) the profit or loss of the parent company, determined in accordance with this Directive, must be shown in the balance sheet of the parent company.'/</del></p>
7 <sup>th</sup>	<p><i>Article 45</i></p> <p>The following shall be substituted for Article 59 of Directive 78/660/EEC:</p> <p><i>'Article 59</i></p> <p>1. A Member State may require or permit that participating interests, as defined in Article 17, in the capital of undertakings over the operating and financial policies of which significant influence is exercised, be shown in the balance sheet in accordance with paragraphs 2 to 9 below, as sub-items of the items "shares in affiliated undertakings" or "participating interests", as the case may be. An undertaking shall be presumed to exercise a significant influence over another undertaking where it has 20 % or more of the shareholders' or members' voting rights in that undertaking. Article 2 of Directive 83/349/EEC shall apply.</p> <p>2. When this Article is first applied to a participating interest covered by paragraph 1, it shall be shown in the balance sheet either:</p> <p>(a) at its book value calculated in accordance with Articles 31 to 42. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest shall be disclosed separately in the balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which the method is applied for the first time; or</p> <p>(b) at the amount corresponding to the proportion of</p>	/	<p><i>Article 45</i></p> <p><del>The following shall be substituted for Article 59 of Directive 78/660/EEC:</del></p> <p><del>'Article 59</del></p> <p><del>1. A Member State may require or permit that participating interests, as defined in Article 17, in the capital of undertakings over the operating and financial policies of which significant influence is exercised, be shown in the balance sheet in accordance with paragraphs 2 to 9 below, as sub-items of the items "shares in affiliated undertakings" or "participating interests", as the case may be. An undertaking shall be presumed to exercise a significant influence over another undertaking where it has 20 % or more of the shareholders' or members' voting rights in that undertaking. Article 2 of Directive 83/349/EEC shall apply.</del></p> <p><del>2. When this Article is first applied to a participating interest covered by paragraph 1, it shall be shown in the balance sheet either:</del></p> <p><del>(a) at its book value calculated in accordance with Articles 31 to 42. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest shall be disclosed separately in the balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which the method is applied for the first time; or</del></p> <p><del>(b) at the amount corresponding to the proportion of</del></p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>the capital and reserves represented by the participating interest. The difference between that amount and the book value calculated in accordance with Articles 31 to 42 shall be disclosed separately in the balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which the method is applied for the first time.</p> <p>(c) A Member State may prescribe the application of one or other of the above paragraphs. The balance sheet or the notes on the account must indicate whether (a) or (b) above has been used.</p> <p>(d) In addition, when applying (a) and (b) above, a Member State may require or permit calculation of the difference as at the date of acquisition of the participating interest referred to in paragraph 1 or, where the acquisition took place in two or more stages, as at the date as at which the holding became a participating interest within the meaning of paragraph 1 above.</p> <p>3. Where the assets or liabilities of an undertaking in which a participating interest within the meaning of paragraph 1 above is held have been valued by methods other than those used by the company drawing up the annual accounts, they may, for the purpose of calculating the difference referred to in paragraph 2 (a) or (b) above, be revalued by the methods used by the company drawing up the annual accounts. Disclosure must be made in the notes on the accounts where such revaluation has not been carried out. A Member State may require such revaluation.</p> <p>4. The book value referred to in paragraph 2 (a) above, or the amount corresponding to the proportion of capital and reserves referred to in paragraph 2 (b) above, shall be increased or reduced by the amount of the variation which has taken place during the financial year in the proportion of capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to the participating interest.</p> <p>5. In so far as a positive difference covered by paragraph 2 (a) or (b) above cannot be related to any category of asset or liability, it shall be dealt with in</p>		<p><del>the capital and reserves represented by the participating interest. The difference between that amount and the book value calculated in accordance with Articles 31 to 42 shall be disclosed separately in the balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which the method is applied for the first time.</del></p> <p><del>(c) A Member State may prescribe the application of one or other of the above paragraphs. The balance sheet or the notes on the account must indicate whether (a) or (b) above has been used.</del></p> <p><del>(d) In addition, when applying (a) and (b) above, a Member State may require or permit calculation of the difference as at the date of acquisition of the participating interest referred to in paragraph 1 or, where the acquisition took place in two or more stages, as at the date as at which the holding became a participating interest within the meaning of paragraph 1 above.</del></p> <p><del>3. Where the assets or liabilities of an undertaking in which a participating interest within the meaning of paragraph 1 above is held have been valued by methods other than those used by the company drawing up the annual accounts, they may, for the purpose of calculating the difference referred to in paragraph 2 (a) or (b) above, be revalued by the methods used by the company drawing up the annual accounts. Disclosure must be made in the notes on the accounts where such revaluation has not been carried out. A Member State may require such revaluation.</del></p> <p><del>4. The book value referred to in paragraph 2 (a) above, or the amount corresponding to the proportion of capital and reserves referred to in paragraph 2 (b) above, shall be increased or reduced by the amount of the variation which has taken place during the financial year in the proportion of capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to the participating interest.</del></p> <p><del>5. In so far as a positive difference covered by paragraph</del></p>

	Content	Examples	Explanation
	<p>accordance with the rules applicable to the item "goodwill".</p> <p>6. (a) The proportion of the profit or loss attributable to participating interests within the meaning of paragraph 1 above shall be shown in the profit-and-loss account as a separate item with an appropriate heading.</p> <p>(b) Where that amount exceeds the amount of dividends already received or the payment of which can be claimed, the amount of the difference must be placed in a reserve which cannot be distributed to shareholders.</p> <p>(c) A Member State may require or permit that the proportion of the profit or loss attributable to the participating interests referred to in paragraph 1 above be shown in the profit-and-loss account only to the extent of the amount corresponding to dividends already received or the payment of which can be claimed.</p> <p>7. The eliminations referred to in Article 26 (1) (c) of Directive 83/349/EEC shall be effected in so far as the facts are known or can be ascertained. Article 26 (2) and (3) of that Directive shall apply.</p> <p>8. Where an undertaking in which a participating interest within the meaning of paragraph 1 above is held draws up consolidated accounts, the foregoing paragraphs shall apply to the capital and reserves shown in such consolidated accounts.</p> <p>9. This Article need not be applied where a participating interest as defined in paragraph 1 is not material for the purposes of Article 2 (3).'</p>		<p><del>2-(a) or (b) above cannot be related to any category of asset or liability, it shall be dealt with in accordance with the rules applicable to the item "goodwill".</del></p> <p><del>6-(a) The proportion of the profit or loss attributable to participating interests within the meaning of paragraph 1 above shall be shown in the profit-and-loss account as a separate item with an appropriate heading.</del></p> <p><del>(b) Where that amount exceeds the amount of dividends already received or the payment of which can be claimed, the amount of the difference must be placed in a reserve which cannot be distributed to shareholders.</del></p> <p><del>(c) A Member State may require or permit that the proportion of the profit or loss attributable to the participating interests referred to in paragraph 1 above be shown in the profit-and-loss account only to the extent of the amount corresponding to dividends already received or the payment of which can be claimed.</del></p> <p><del>7. The eliminations referred to in Article 26 (1) (c) of Directive 83/349/EEC shall be effected in so far as the facts are known or can be ascertained. Article 26 (2) and (3) of that Directive shall apply.</del></p> <p><del>8. Where an undertaking in which a participating interest within the meaning of paragraph 1 above is held draws up consolidated accounts, the foregoing paragraphs shall apply to the capital and reserves shown in such consolidated accounts.</del></p> <p><del>9. This Article need not be applied where a participating interest as defined in paragraph 1 is not material for the purposes of Article 2 (3).'</del></p>
7 <sup>th</sup>	<p><i>Article 46</i></p> <p>The following shall be substituted for Article 61 of Directive 78/660/EEC:</p> <p><i>'Article 61</i></p> <p>A Member State need not apply the provisions of point 2 of Article 43 (1) of this Directive concerning the amount of capital and reserves and profits and losses of the undertakings concerned to companies governed by their national laws which are parent</p>	/	<p><del>/Article 46</del></p> <p><del>The following shall be substituted for Article 61 of Directive 78/660/EEC:</del></p> <p><del>'Article 61</del></p> <p><del>A Member State need not apply the provisions of point 2 of Article 43 (1) of this Directive concerning the amount of capital and reserves and profits and losses of the undertakings concerned to companies</del></p>

	Content	Examples	Explanation
	<p>undertakings for the purposes of Directive 83/349/EEC:</p> <p>(a) where the undertakings concerned are included in consolidated accounts drawn up by that parent undertaking, or in the consolidated accounts of a larger body of undertakings as referred to in Article 7 (2) of Directive 83/349/EEC; or</p> <p>(b) where the holdings in the undertakings concerned have been dealt with by the parent undertaking in its annual accounts in accordance with Article 59, or in the consolidated accounts drawn up by that parent undertaking in accordance with Article 33 of Directive 83/349/EEC.'</p>		<p><del>governed by their national laws which are parent undertakings for the purposes of Directive 83/349/EEC:</del></p> <p><del>(a) where the undertakings concerned are included in consolidated accounts drawn up by that parent undertaking, or in the consolidated accounts of a larger body of undertakings as referred to in Article 7 (2) of Directive 83/349/EEC; or</del></p> <p><del>(b) where the holdings in the undertakings concerned have been dealt with by the parent undertaking in its annual accounts in accordance with Article 59, or in the consolidated accounts drawn up by that parent undertaking in accordance with Article 33 of Directive 83/349/EEC.'</del></p>
7 <sup>th</sup>	<p><i>Article 47</i></p> <p>The Contact Committee set up pursuant to Article 52 of Directive 78/660/EEC shall also:</p> <p>(a) facilitate, without prejudice to Articles 169 and 170 of the Treaty, harmonized application of this Directive through regular meetings dealing, in particular, with practical problems arising in connection with its application;</p> <p>(b) advise the Commission, if necessary, on additions or amendments to this Directive.</p>	/	<p><i>Article 47</i></p> <p><del>The Contact Committee set up pursuant to Article 52 of Directive 78/660/EEC shall also:</del></p> <p><del>(a) facilitate, without prejudice to Articles 169 and 170 of the Treaty, harmonized application of this Directive through regular meetings dealing, in particular, with practical problems arising in connection with its application;</del></p> <p><del>(b) advise the Commission, if necessary, on additions or amendments to this Directive./</del></p>
		<p>CHAPTER 11</p> <p>FINAL PROVISIONS</p> <p>Article 49</p> <p>Exercise of delegated powers</p> <p>1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.</p> <p>2. The power to adopt delegated acts referred to in Article 1(2), Article 3(13) and Article 46(2) shall be conferred on the Commission for an indeterminate period of time from the date referred to in Article 54.</p> <p>3. The delegation of power referred to in Article 1(2), Article 3(13) and Article 46(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put</p>	<p><u>CHAPTER 11</u></p> <p><u>FINAL PROVISIONS</u></p> <p><u>Article 49</u></p> <p><u>Exercise of delegated powers</u></p> <p><u>1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.</u></p> <p><u>2. The power to adopt delegated acts referred to in Article 1(2), Article 3(13) and Article 46(2) shall be conferred on the Commission for an indeterminate period of time from the date referred to in Article 54.</u></p> <p><u>3. The delegation of power referred to in Article 1(2), Article 3(13) and Article 46(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put</u></p>

	Content	Examples	Explanation
		<p>an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of that decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</p> <p>4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</p> <p>5. A delegated act adopted pursuant to Article 1(2), Article 3(13) or Article 46(2) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.</p> <p style="text-align: center;">Article 50 Committee procedure</p> <p>1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.</p> <p>2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.</p>	<p><a href="#">an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of that decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</a></p> <p><a href="#">4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</a></p> <p><a href="#">5. A delegated act adopted pursuant to Article 1(2), Article 3(13) or Article 46(2) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.</a></p> <p style="text-align: center;"><a href="#">Article 50</a> <a href="#">Committee procedure</a></p> <p><a href="#">1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.</a></p> <p><a href="#">2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.</a></p>
7 <sup>th</sup>	<p style="text-align: center;"><i>Article 48</i></p> <p>Member States shall lay down the rules on penalties applicable to infringements of the national provisions adopted pursuant to this Directive and shall take all the measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive.</p>	<p style="text-align: center;">Article 51 Penalties</p> <p>Member States shall provide for penalties applicable to infringements of the national provisions adopted in accordance with this Directive and shall take all the measures necessary to ensure that those penalties are</p>	<p style="text-align: center;">Article <del>48</del><sup>51</sup> <del>Penalties</del></p> <p>Member States shall <del>lay down the rules</del> <a href="#">provide for</a> penalties applicable to infringements of the national provisions adopted <del>pursuant to in accordance with</del> this Directive and shall take all the measures necessary to ensure</p>

	Content	Examples	Explanation
7 <sup>th</sup>		<p>enforced. The penalties provided for shall be effective, proportionate and dissuasive.</p>	<p>that <del>they those penalties</del> are <del>implemented</del>enforced. The penalties provided for <del>must</del>shall be effective, proportionate and dissuasive.</p>
		<p style="text-align: center;">Article 52, Article 53 &amp; Article 54</p> <p>Repeal of Directives 78/660/EEC and 83/349/EEC Directives 78/660/EEC and 83/349/EEC are repealed.</p> <p>References to the repealed Directives shall be construed as references to this Directive and shall be read in accordance with the correlation table in Annex VII.</p> <p style="text-align: center;">Article 53 Transposition</p> <p>1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 20 July 2015. They shall immediately inform the Commission thereof.</p> <p>Member States may provide that the provisions referred to in the first subparagraph are first to apply to financial statements for financial years beginning on 1 January 2016 or during the calendar year 2016.</p> <p>When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.</p> <p>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.</p> <p style="text-align: center;">Article 54 Entry into force</p>	<p style="text-align: center;"><u>Article 52, Article 53 &amp; Article 54</u></p> <p><u>Repeal of Directives 78/660/EEC and 83/349/EEC</u> <u>Directives 78/660/EEC and 83/349/EEC are repealed.</u></p> <p><u>References to the repealed Directives shall be construed as references to this Directive and shall be read in accordance with the correlation table in Annex VII.</u></p> <p style="text-align: center;"><u>Article 53</u> <u>Transposition</u></p> <p><u>1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 20 July 2015. They shall immediately inform the Commission thereof.</u></p> <p><u>Member States may provide that the provisions referred to in the first subparagraph are first to apply to financial statements for financial years beginning on 1 January 2016 or during the calendar year 2016.</u></p> <p><u>When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.</u></p> <p><u>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.</u></p> <p style="text-align: center;"><u>Article 54</u> <u>Entry into force</u></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
		This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	<a href="#">This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.</a>
7 <sup>th</sup>	<i>Article 49</i> 1. The Member States shall bring into force the laws, regulations and administrative provisions necessary for them to comply with this Directive before 1 January 1988. They shall forthwith inform the Commission thereof. 2. A Member State may provide that the provisions referred to in paragraph 1 above shall first apply to consolidated accounts for financial years beginning on 1 January 1990 or during the calendar year 1990. 3. The Member States shall ensure that they communicate to the Commission the texts of the main provisions of national law which they adopt in the field covered by this Directive.	/	<i>Article 49</i> <del>1. The Member States shall bring into force the laws, regulations and administrative provisions necessary for them to comply with this Directive before 1 January 1988. They shall forthwith inform the Commission thereof.</del> <del>2. A Member State may provide that the provisions referred to in paragraph 1 above shall first apply to consolidated accounts for financial years beginning on 1 January 1990 or during the calendar year 1990.</del> <del>3. The Member States shall ensure that they communicate to the Commission the texts of the main provisions of national law which they adopt in the field covered by this Directive./</del>
7 <sup>th</sup>	<i>Article 50</i> 1. Five years after the date referred to in Article 49 (2), the Council, acting on a proposal from the Commission, shall examine and if need be revise Articles 1 (1) (d) (second subparagraph), 4 (2), 5, 6, 7 (1), 12, 43 and 44 in the light of the experience acquired in applying this Directive, the aims of this Directive and the economic and monetary situation at the time. 2. Paragraph 1 above shall not affect Article 53 (2) of Directive 78/660/EEC.	/	<i>Article 50</i> <del>1. Five years after the date referred to in Article 49 (2), the Council, acting on a proposal from the Commission, shall examine and if need be revise Articles 1 (1) (d) (second subparagraph), 4 (2), 5, 6, 7 (1), 12, 43 and 44 in the light of the experience acquired in applying this Directive, the aims of this Directive and the economic and monetary situation at the time.</del> <del>2. Paragraph 1 above shall not affect /Article 53 (2) of Directive 78/660/EEC.</del>
7 <sup>th</sup>	<i>Article 50a</i> Not later than 1 January 2007, the Commission shall review the provisions in Article 29(1), Article 34(10), (14) and (15) and Article 36(2)(e) in the light of the experience acquired in applying provisions on fair value accounting and taking account of international developments in the field of accounting and, if appropriate, submit a proposal to the European Parliament and the Council with a view to amending the abovementioned Articles.	/	<i>Article 50a</i> <del>Not later than 1 January 2007, the Commission shall review the provisions in Article 29(1), Article 34(10), (14) and (15) and Article 36(2)(e) in the light of the experience acquired in applying provisions on fair value accounting and taking account of international developments in the field of accounting and, if appropriate, submit a proposal to the European Parliament and the Council with a view to amending the abovementioned Articles./</del>
		CHAPTER 9 PROVISIONS CONCERNING EXEMPTIONS AND	<a href="#">CHAPTER 9</a> <a href="#">PROVISIONS CONCERNING EXEMPTIONS AND</a>

	Content	Examples	Explanation
		<p>RESTRICTIONS ON EXEMPTIONS</p> <p>Article 36</p> <p>Exemptions for micro-undertakings</p> <p>1. Member States may exempt micro-undertakings from any or all of the following obligations:</p> <p>(a) the obligation to present "Prepayments and accrued income" and "Accruals and deferred income". Where a Member State makes use of that option, it may permit those undertakings, only in respect of other charges as referred to in point (b)(vi) of paragraph 2 of this Article, to depart from point (d) of Article 6(1) with regard to the recognition of "Prepayments and accrued income" and "Accruals and deferred income", provided that this fact is disclosed in the notes to the financial statements or, in accordance with point (b) of this paragraph, at the foot of the balance sheet;</p> <p>(b) the obligation to draw up notes to the financial statements in accordance with Article 16, provided that the information required by points (d) and (e) of Article 16(1) of this Directive and by Article 24(2) of Directive 2012/30/EU is disclosed at the foot of the balance sheet;</p> <p>(c) the obligation to prepare a management report in accordance with Chapter 5, provided that the information required by Article 24(2) of Directive 2012/30/EU is disclosed in the notes to the financial statements or, in accordance with point (b) of this paragraph, at the foot of the balance sheet;</p> <p>(d) the obligation to publish annual financial statements in accordance with Chapter 7 of this Directive, provided that the balance sheet information contained therein is duly filed, in accordance with national law, with at least one competent authority designated by the Member</p>	<p><u>RESTRICTIONS ON EXEMPTIONS</u></p> <p><u>Article 36</u></p> <p><u>Exemptions for micro-undertakings</u></p> <p><u>1. Member States may exempt micro-undertakings from any or all of the following obligations:</u></p> <p><u>(a) the obligation to present "Prepayments and accrued income" and "Accruals and deferred income". Where a Member State makes use of that option, it may permit those undertakings, only in respect of other charges as referred to in point (b)(vi) of paragraph 2 of this Article, to depart from point (d) of Article 6(1) with regard to the recognition of "Prepayments and accrued income" and "Accruals and deferred income", provided that this fact is disclosed in the notes to the financial statements or, in accordance with point (b) of this paragraph, at the foot of the balance sheet;</u></p> <p><u>(b) the obligation to draw up notes to the financial statements in accordance with Article 16, provided that the information required by points (d) and (e) of Article 16(1) of this Directive and by Article 24(2) of Directive 2012/30/EU is disclosed at the foot of the balance sheet;</u></p> <p><u>(c) the obligation to prepare a management report in accordance with Chapter 5, provided that the information required by Article 24(2) of Directive 2012/30/EU is disclosed in the notes to the financial statements or, in accordance with point (b) of this paragraph, at the foot of the balance sheet;</u></p> <p><u>(d) the obligation to publish annual financial statements in accordance with Chapter 7 of this Directive, provided that the balance sheet information contained therein is duly filed, in accordance with national law, with at least one competent authority designated by the Member</u></p>



	Content	Examples	Explanation
		<p>State concerned. Whenever the competent authority is not the central register, commercial register or companies register, as referred to in Article 3(1) of Directive 2009/101/EC, the competent authority is required to provide the register with the information filed.</p> <p>2. Member States may permit micro-undertakings:</p> <p>(a) to draw up only an abridged balance sheet showing separately at least those items preceded by letters in Annexes III or IV, where applicable. In cases where point (a) of paragraph 1 of this Article applies, items E under "Assets" and D under "Liabilities" in Annex III or items E and K in Annex IV shall be excluded from the balance sheet;</p> <p>(b) to draw up only an abridged profit and loss account showing separately at least the following items, where applicable:</p> <p>(i) net turnover,  (ii) other income,  (iii) cost of raw materials and consumables,  (iv) staff costs,  (v) value adjustments,  (vi) other charges,  (vii) tax,  (viii) profit or loss.</p> <p>3. Member States shall not permit or require the application of Article 8 to any micro-undertaking making use of any of the exemptions provided for in paragraphs 1 and 2 of this Article.</p> <p>4. In respect of micro-undertakings, annual financial statements drawn up in accordance with paragraphs 1, 2 and 3 of this Article shall be regarded as giving the true and fair view required by Article 4(3), and consequently Article 4(4) shall not apply to such financial statements.</p>	<p><u>State concerned. Whenever the competent authority is not the central register, commercial register or companies register, as referred to in Article 3(1) of Directive 2009/101/EC, the competent authority is required to provide the register with the information filed.</u></p> <p><u>2. Member States may permit micro-undertakings:</u></p> <p><u>(a) to draw up only an abridged balance sheet showing separately at least those items preceded by letters in Annexes III or IV, where applicable. In cases where point (a) of paragraph 1 of this Article applies, items E under "Assets" and D under "Liabilities" in Annex III or items E and K in Annex IV shall be excluded from the balance sheet;</u></p> <p><u>(b) to draw up only an abridged profit and loss account showing separately at least the following items, where applicable:</u></p> <p><u>(i) net turnover,</u>  <u>(ii) other income,</u>  <u>(iii) cost of raw materials and consumables,</u>  <u>(iv) staff costs,</u>  <u>(v) value adjustments,</u>  <u>(vi) other charges,</u>  <u>(vii) tax,</u>  <u>(viii) profit or loss.</u></p> <p><u>3. Member States shall not permit or require the application of Article 8 to any micro-undertaking making use of any of the exemptions provided for in paragraphs 1 and 2 of this Article.</u></p> <p><u>4. In respect of micro-undertakings, annual financial statements drawn up in accordance with paragraphs 1, 2 and 3 of this Article shall be regarded as giving the true and fair view required by Article 4(3), and consequently Article 4(4) shall not apply to such financial statements.</u></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
		<p>5. If point (a) of paragraph 1 of this Article applies, the balance sheet total referred to in point (a) of Article 3(1) shall consist of the assets referred to in items A to D under "Assets" in Annex III or items A to D in Annex IV.</p> <p>6. Without prejudice to this Article, Member States shall ensure that micro-undertakings are otherwise regarded as small undertakings.</p> <p>7. Member States shall not make available the derogations provided for in paragraphs 1, 2 and 3 in respect of investment undertakings or financial holding undertakings.</p> <p>8. Member States which at 19 July 2013 have brought into force laws, regulations or administrative provisions in compliance with Directive 2012/6/EU of the European Parliament and of the Council of 14 March 2012 amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities [19], may be exempted from the requirements set out in Article 3(9) with regard to the conversion into national currencies of thresholds set out in Article 3(1) when applying the first sentence of Article 53(1).</p> <p>9. By 20 July 2018 the Commission shall submit to the European Parliament, to the Council and to the European Economic and Social Committee a report on the situation of micro-undertakings taking account, in particular, of the situation at national level regarding the number of undertakings covered by the size criteria and the reduction of administrative burdens resulting from the exemption from the publication requirement.</p>	<p><a href="#">5. If point (a) of paragraph 1 of this Article applies, the balance sheet total referred to in point (a) of Article 3(1) shall consist of the assets referred to in items A to D under "Assets" in Annex III or items A to D in Annex IV.</a></p> <p><a href="#">6. Without prejudice to this Article, Member States shall ensure that micro-undertakings are otherwise regarded as small undertakings.</a></p> <p><a href="#">7. Member States shall not make available the derogations provided for in paragraphs 1, 2 and 3 in respect of investment undertakings or financial holding undertakings.</a></p> <p><a href="#">8. Member States which at 19 July 2013 have brought into force laws, regulations or administrative provisions in compliance with Directive 2012/6/EU of the European Parliament and of the Council of 14 March 2012 amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities [19], may be exempted from the requirements set out in Article 3(9) with regard to the conversion into national currencies of thresholds set out in Article 3(1) when applying the first sentence of Article 53(1).</a></p> <p><a href="#">9. By 20 July 2018 the Commission shall submit to the European Parliament, to the Council and to the European Economic and Social Committee a report on the situation of micro-undertakings taking account, in particular, of the situation at national level regarding the number of undertakings covered by the size criteria and the reduction of administrative burdens resulting from the exemption from the publication requirement.</a></p>
		<p>CHAPTER 10 REPORT ON PAYMENTS TO GOVERNMENTS Article 41</p>	<p><a href="#">CHAPTER 10</a> <a href="#">REPORT ON PAYMENTS TO GOVERNMENTS</a> <a href="#">Article 41</a></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
		<p>Definitions relating to reporting on payments to governments</p> <p>For the purpose of this Chapter, the following definitions shall apply:</p> <p>(1) "undertaking active in the extractive industry" means an undertaking with any activity involving the exploration, prospection, discovery, development, and extraction of minerals, oil, natural gas deposits or other materials, within the economic activities listed in Section B, Divisions 05 to 08 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 [20];</p> <p>(2) "undertaking active in the logging of primary forests" means an undertaking with activities as referred to in Section A, Division 02, Group 02.2 of Annex I to Regulation (EC) No 1893/2006, in primary forests;</p> <p>(3) "government" means any national, regional or local authority of a Member State or of a third country. It includes a department, agency or undertaking controlled by that authority as laid down in Article 22(1) to (6) of this Directive;</p> <p>(4) "project" means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. None the less, if multiple such agreements are substantially interconnected, this shall be considered a project;</p> <p>(5) "payment" means an amount paid, whether in money or in kind, for activities, as described in points 1 and 2, of the following types:</p> <p>(a) production entitlements;</p> <p>(b) taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes,</p>	<p><u>Definitions relating to reporting on payments to governments</u></p> <p><u>For the purpose of this Chapter, the following definitions shall apply:</u></p> <p><u>(1) "undertaking active in the extractive industry" means an undertaking with any activity involving the exploration, prospection, discovery, development, and extraction of minerals, oil, natural gas deposits or other materials, within the economic activities listed in Section B, Divisions 05 to 08 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 [20];</u></p> <p><u>(2) "undertaking active in the logging of primary forests" means an undertaking with activities as referred to in Section A, Division 02, Group 02.2 of Annex I to Regulation (EC) No 1893/2006, in primary forests;</u></p> <p><u>(3) "government" means any national, regional or local authority of a Member State or of a third country. It includes a department, agency or undertaking controlled by that authority as laid down in Article 22(1) to (6) of this Directive;</u></p> <p><u>(4) "project" means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. None the less, if multiple such agreements are substantially interconnected, this shall be considered a project;</u></p> <p><u>(5) "payment" means an amount paid, whether in money or in kind, for activities, as described in points 1 and 2, of the following types:</u></p> <p><u>(a) production entitlements;</u></p> <p><u>(b) taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes.</u></p>

	Content	Examples	Explanation
		<p>personal income taxes or sales taxes;  (c) royalties;  (d) dividends;  (e) signature, discovery and production bonuses;  (f) licence fees, rental fees, entry fees and other considerations for licences and/or concessions;  and  (g) payments for infrastructure improvements.</p> <p style="text-align: center;">Article 42</p> <p>Undertakings required to report on payments to governments</p> <p>1. Member States shall require large undertakings and all public-interest entities active in the extractive industry or the logging of primary forests to prepare and make public a report on payments made to governments on an annual basis.</p> <p>2. That obligation shall not apply to any undertaking governed by the law of a Member State which is a subsidiary or parent undertaking, where both of the following conditions are fulfilled:</p> <p>(a) the parent undertaking is subject to the laws of a Member State; and</p> <p>(b) the payments to governments made by the undertaking are included in the consolidated report on payments to governments drawn up by that parent undertaking in accordance with Article 44.</p> <p style="text-align: center;">Article 43</p> <p style="text-align: center;">Content of the report</p> <p>1. Any payment, whether made as a single payment or as a series of related payments, need not be taken into account in the report if it is below EUR 100000 within a financial year.</p> <p>2. The report shall disclose the following information in relation to activities as described</p>	<p><u>personal income taxes or sales taxes:</u>  <u>(c) royalties;</u>  <u>(d) dividends;</u>  <u>(e) signature, discovery and production bonuses;</u>  <u>(f) licence fees, rental fees, entry fees and other considerations for licences and/or concessions;</u>  <u>and</u>  <u>(g) payments for infrastructure improvements.</u></p> <p style="text-align: center;"><u>Article 42</u></p> <p><u>Undertakings required to report on payments to governments</u></p> <p><u>1. Member States shall require large undertakings and all public-interest entities active in the extractive industry or the logging of primary forests to prepare and make public a report on payments made to governments on an annual basis.</u></p> <p><u>2. That obligation shall not apply to any undertaking governed by the law of a Member State which is a subsidiary or parent undertaking, where both of the following conditions are fulfilled:</u></p> <p><u>(a) the parent undertaking is subject to the laws of a Member State; and</u></p> <p><u>(b) the payments to governments made by the undertaking are included in the consolidated report on payments to governments drawn up by that parent undertaking in accordance with Article 44.</u></p> <p style="text-align: center;"><u>Article 43</u></p> <p style="text-align: center;"><u>Content of the report</u></p> <p><u>1. Any payment, whether made as a single payment or as a series of related payments, need not be taken into account in the report if it is below EUR 100000 within a financial year.</u></p> <p><u>2. The report shall disclose the following information in relation to activities as described</u></p>

	<b>Content</b>	<b>Examples</b>	<b>Explanation</b>
		<p>in points (1) and (2) of Article 41 in respect of the relevant financial year:</p> <p>(a) the total amount of payments made to each government;</p> <p>(b) the total amount per type of payment as specified in points (5)(a) to (g) of Article 41 made to each government;</p> <p>(c) where those payments have been attributed to a specific project, the total amount per type of payment as specified in point (5)(a) to (g) of Article 41, made for each such project and the total amount of payments for each such project.</p> <p>Payments made by the undertaking in respect of obligations imposed at entity level may be disclosed at the entity level rather than at project level.</p> <p>3. Where payments in kind are made to a government, they shall be reported in value and, where applicable, in volume. Supporting notes shall be provided to explain how their value has been determined.</p> <p>4. The disclosure of the payments referred to in this Article shall reflect the substance, rather than the form, of the payment or activity concerned. Payments and activities may not be artificially split or aggregated to avoid the application of this Directive.</p> <p>5. In the case of those Member States which have not adopted the euro, the euro threshold identified in paragraph 1 shall be converted into national currency by:</p> <p>(a) applying the exchange rate published in the Official Journal of the European Union as at the date of the entry into force of any Directive fixing that threshold, and</p> <p>(b) rounding to the nearest hundred.</p> <p style="text-align: center;">Article 44</p> <p style="text-align: center;">Consolidated report on payments to</p>	<p><u>in points (1) and (2) of Article 41 in respect of the relevant financial year:</u></p> <p><u>(a) the total amount of payments made to each government;</u></p> <p><u>(b) the total amount per type of payment as specified in points (5)(a) to (g) of Article 41 made to each government;</u></p> <p><u>(c) where those payments have been attributed to a specific project, the total amount per type of payment as specified in point (5)(a) to (g) of Article 41, made for each such project and the total amount of payments for each such project.</u></p> <p><u>Payments made by the undertaking in respect of obligations imposed at entity level may be disclosed at the entity level rather than at project level.</u></p> <p><u>3. Where payments in kind are made to a government, they shall be reported in value and, where applicable, in volume. Supporting notes shall be provided to explain how their value has been determined.</u></p> <p><u>4. The disclosure of the payments referred to in this Article shall reflect the substance, rather than the form, of the payment or activity concerned. Payments and activities may not be artificially split or aggregated to avoid the application of this Directive.</u></p> <p><u>5. In the case of those Member States which have not adopted the euro, the euro threshold identified in paragraph 1 shall be converted into national currency by:</u></p> <p><u>(a) applying the exchange rate published in the Official Journal of the European Union as at the date of the entry into force of any Directive fixing that threshold, and</u></p> <p><u>(b) rounding to the nearest hundred.</u></p> <p style="text-align: center;"><u>Article 44</u></p> <p style="text-align: center;"><u>Consolidated report on payments to</u></p>

	Content	Examples	Explanation
		<p>governments</p> <p>1. A Member State shall require any large undertaking or any public-interest entity active in the extractive industry or the logging of primary forests and governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 42 and 43 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 22(1) to (6). A parent undertaking is considered to be active in the extractive industry or the logging of primary forests if any of its subsidiary undertakings are active in the extractive industry or the logging of primary forests. The consolidated report shall only include payments resulting from extractive operations and/or operations relating to the logging of primary forests.</p> <p>2. The obligation to draw up the consolidated report referred to in paragraph 1 shall not apply to:</p> <p>(a) a parent undertaking of a small group, as defined in Article 3(5), except where any affiliated undertaking is a public-interest entity;</p> <p>(b) a parent undertaking of a medium-sized group, as defined in Article 3(6), except where any affiliated undertaking is a public-interest entity; and</p> <p>(c) a parent undertaking governed by the law of a Member State which is also a subsidiary undertaking, if its own parent undertaking is governed by the law of a Member State.</p> <p>3. An undertaking, including a public-interest entity, need not be included in a consolidated report on payments to governments where at least one of the following conditions is fulfilled:</p> <p>(a) severe long-term restrictions substantially</p>	<p>governments</p> <p><u>1. A Member State shall require any large undertaking or any public-interest entity active in the extractive industry or the logging of primary forests and governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 42 and 43 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 22(1) to (6). A parent undertaking is considered to be active in the extractive industry or the logging of primary forests if any of its subsidiary undertakings are active in the extractive industry or the logging of primary forests. The consolidated report shall only include payments resulting from extractive operations and/or operations relating to the logging of primary forests.</u></p> <p><u>2. The obligation to draw up the consolidated report referred to in paragraph 1 shall not apply to:</u></p> <p><u>(a) a parent undertaking of a small group, as defined in Article 3(5), except where any affiliated undertaking is a public-interest entity;</u></p> <p><u>(b) a parent undertaking of a medium-sized group, as defined in Article 3(6), except where any affiliated undertaking is a public-interest entity; and</u></p> <p><u>(c) a parent undertaking governed by the law of a Member State which is also a subsidiary undertaking, if its own parent undertaking is governed by the law of a Member State.</u></p> <p><u>3. An undertaking, including a public-interest entity, need not be included in a consolidated report on payments to governments where at least one of the following conditions is fulfilled:</u></p> <p><u>(a) severe long-term restrictions substantially</u></p>

	Content	Examples	Explanation
		<p>hinder the parent undertaking in the exercise of its rights over the assets or management of that undertaking;</p> <p>(b) extremely rare cases where the information necessary for the preparation of the consolidated report on payments to governments in accordance with this Directive cannot be obtained without disproportionate expense or undue delay;</p> <p>(c) the shares of that undertaking are held exclusively with a view to their subsequent resale.</p> <p>The above exemptions shall apply only if they are also used for the purposes of the consolidated financial statements.</p> <p style="text-align: center;">Article 45 Publication</p> <p>1. The report referred to in Article 42 and the consolidated report referred to in Article 44 on payments to governments shall be published as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC.</p> <p>2. Member States shall ensure that the members of the responsible bodies of an undertaking, acting within the competences assigned to them by national law, have responsibility for ensuring that, to the best of their knowledge and ability, the report on payments to governments is drawn up and published in accordance with the requirements of this Directive.</p> <p style="text-align: center;">Article 46 Equivalence criteria</p> <p>1. Undertakings referred to in Articles 42 and 44 that prepare and make public a report complying with third-country reporting requirements assessed, in accordance with Article 47, as equivalent to the requirements of this Chapter</p>	<p><u>hinder the parent undertaking in the exercise of its rights over the assets or management of that undertaking;</u></p> <p><u>(b) extremely rare cases where the information necessary for the preparation of the consolidated report on payments to governments in accordance with this Directive cannot be obtained without disproportionate expense or undue delay;</u></p> <p><u>(c) the shares of that undertaking are held exclusively with a view to their subsequent resale.</u></p> <p><u>The above exemptions shall apply only if they are also used for the purposes of the consolidated financial statements.</u></p> <p style="text-align: center;"><u>Article 45</u> <u>Publication</u></p> <p><u>1. The report referred to in Article 42 and the consolidated report referred to in Article 44 on payments to governments shall be published as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC.</u></p> <p><u>2. Member States shall ensure that the members of the responsible bodies of an undertaking, acting within the competences assigned to them by national law, have responsibility for ensuring that, to the best of their knowledge and ability, the report on payments to governments is drawn up and published in accordance with the requirements of this Directive.</u></p> <p style="text-align: center;"><u>Article 46</u> <u>Equivalence criteria</u></p> <p><u>1. Undertakings referred to in Articles 42 and 44 that prepare and make public a report complying with third-country reporting requirements assessed, in accordance with Article 47, as equivalent to the requirements of this Chapter</u></p>

	Content	Examples	Explanation
		<p>are exempt from the requirements of this Chapter except for the obligation to publish this report as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC.</p> <p>2. The Commission shall be empowered to adopt delegated acts in accordance with Article 49 identifying the criteria to be applied when assessing, for the purposes of paragraph 1 of this Article, the equivalence of third-country reporting requirements and the requirements of this Chapter.</p> <p>3. The criteria identified by the Commission in accordance with paragraph 2 shall:</p> <p>(a) include the following:</p> <p>(i) target undertakings,</p> <p>(ii) target recipients of payments,</p> <p>(iii) payments captured,</p> <p>(iv) attribution of payments captured,</p> <p>(v) breakdown of payments captured,</p> <p>(vi) triggers for reporting on a consolidated basis,</p> <p>(vii) reporting medium,</p> <p>(viii) frequency of reporting, and</p> <p>(ix) anti-evasion measures;</p> <p>(b) otherwise be limited to criteria which facilitate a direct comparison of third-country reporting requirements with the requirements of this Chapter.</p> <p>Article 47</p> <p>Application of equivalence criteria</p> <p>The Commission shall be empowered to adopt implementing acts identifying those third-country reporting requirements which, after applying the equivalence criteria identified in accordance with Article 46, it considers equivalent to the requirements of this Chapter. Those</p>	<p><u>are exempt from the requirements of this Chapter except for the obligation to publish this report as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC.</u></p> <p><u>2. The Commission shall be empowered to adopt delegated acts in accordance with Article 49 identifying the criteria to be applied when assessing, for the purposes of paragraph 1 of this Article, the equivalence of third-country reporting requirements and the requirements of this Chapter.</u></p> <p><u>3. The criteria identified by the Commission in accordance with paragraph 2 shall:</u></p> <p><u>(a) include the following:</u></p> <p><u>(i) target undertakings,</u></p> <p><u>(ii) target recipients of payments,</u></p> <p><u>(iii) payments captured,</u></p> <p><u>(iv) attribution of payments captured,</u></p> <p><u>(v) breakdown of payments captured,</u></p> <p><u>(vi) triggers for reporting on a consolidated basis,</u></p> <p><u>(vii) reporting medium,</u></p> <p><u>(viii) frequency of reporting, and</u></p> <p><u>(ix) anti-evasion measures;</u></p> <p><u>(b) otherwise be limited to criteria which facilitate a direct comparison of third-country reporting requirements with the requirements of this Chapter.</u></p> <p><u>Article 47</u></p> <p><u>Application of equivalence criteria</u></p> <p><u>The Commission shall be empowered to adopt implementing acts identifying those third-country reporting requirements which, after applying the equivalence criteria identified in accordance with Article 46, it considers equivalent to the requirements of this Chapter. Those</u></p>



	Content	Examples	Explanation
		<p>implementing acts shall be adopted in accordance with the examination procedure referred to in Article 50(2).</p> <p style="text-align: center;">Article 48 Review</p> <p>The Commission shall review and report on the implementation and effectiveness of this Chapter, in particular as regards the scope of, and compliance with, the reporting obligations and the modalities of the reporting on a project basis.</p> <p>The review shall take into account international developments, in particular with regard to enhancing transparency of payments to governments, assess the impacts of other international regimes and consider the effects on competitiveness and security of energy supply. It shall be completed by 21 July 2018.</p> <p>The report shall be submitted to the European Parliament and to the Council, together with a legislative proposal, if appropriate. That report shall consider the extension of the reporting requirements to additional industry sectors and whether the report on payments to governments should be audited. The report shall also consider the disclosure of additional information on the average number of employees, the use of subcontractors and any pecuniary penalties administered by a country.</p> <p>In addition, the report shall analyse the feasibility of the introduction of an obligation for all Union issuers to carry out due diligence when sourcing minerals to ensure that supply chains have no connection to conflict parties and respect the EITI and OECD recommendations on responsible supply chain management.</p>	<p><u>implementing acts shall be adopted in accordance with the examination procedure referred to in Article 50(2).</u></p> <p style="text-align: center;"><u>Article 48</u> <u>Review</u></p> <p><u>The Commission shall review and report on the implementation and effectiveness of this Chapter, in particular as regards the scope of, and compliance with, the reporting obligations and the modalities of the reporting on a project basis.</u></p> <p><u>The review shall take into account international developments, in particular with regard to enhancing transparency of payments to governments, assess the impacts of other international regimes and consider the effects on competitiveness and security of energy supply. It shall be completed by 21 July 2018.</u></p> <p><u>The report shall be submitted to the European Parliament and to the Council, together with a legislative proposal, if appropriate. That report shall consider the extension of the reporting requirements to additional industry sectors and whether the report on payments to governments should be audited. The report shall also consider the disclosure of additional information on the average number of employees, the use of subcontractors and any pecuniary penalties administered by a country.</u></p> <p><u>In addition, the report shall analyse the feasibility of the introduction of an obligation for all Union issuers to carry out due diligence when sourcing minerals to ensure that supply chains have no connection to conflict parties and respect the EITI and OECD recommendations on responsible supply chain management.</u></p>
	<p><i>Article 51</i> This Directive is addressed to the Member States.</p>	<p style="text-align: center;">Article 55</p>	<p style="text-align: center;">Article <del>51</del><u>55</u></p>

	Content	Examples	Explanation
		<p>Addressees</p> <p>This Directive is addressed to the Member States.</p>	<p><u>Addressees</u></p> <p>This Directive is addressed to the Member States.</p>
7 <sup>th</sup>	<p>— in Germany: die Aktiengesellschaft, die Kommanditgesellschaft auf Aktien, die Gesellschaft mit beschränkter Haftung;</p> <p>— in Belgium: la société anonyme/de naamloze vennootschap, la société en commandite par actions / de commanditaire vennootschap op aandelen, la société de personnes à responsabilité limitée/de personenvennootschap met beperkte aansprakelijkheid;</p> <p>— in Denmark: aktieselskaber, kommanditaktieselskaber, anpartsselskaber;</p> <p>— in France: la société anonyme, la société en commandite par actions, la société à responsabilité limitée;</p> <p>— in Ireland: public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</p> <p>— in Italy: la società per azioni, la società in accomandita per azioni, la società a responsabilità limitata;</p> <p>— in Luxembourg: la société anonyme, la société en commandite par actions, la société à responsabilité limitée;</p>	<p><b>ANNEX I</b></p> <p><b>Types of undertaking referred to in the first subparagraph of Article 1(1)</b></p> <p>- <i>Belgium:</i> la société anonyme/de naamloze vennootschap, la société en commandite par actions / de commanditaire vennootschap op aandelen, la société de personnes a responsabilité limitée/de personenvennootschap met beperkte aansprakelijkheid, <b>cooperative company with limited liability (CVBA)</b>;</p> <p>- <i>Bulgaria:</i> акционерно дружество, дружество с ограничена отговорност, командитно дружество с акции;</p> <p>- <i>the Czech Republic:</i> společnost s ručením omezeným, akciová společnost;</p> <p>- <i>Denmark:</i> aktieselskaber, kommanditaktieselskaber, anpartsselskaber;</p> <p>- <i>Germany:</i> die Aktiengesellschaft, die Kommanditgesellschaft auf Aktien, die Gesellschaft mit beschränkter Haftung;</p> <p>- <i>Estonia:</i> aktsiaselts, osauhing;</p> <p>- <i>Ireland:</i> public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</p>	<p>— <del>in Germany:</del> <del>die Aktiengesellschaft, die Kommanditgesellschaft auf Aktien, die Gesellschaft mit beschränkter Haftung;</del></p> <p>— <del>in</del> <u>ANNEX I</u></p> <p><u>Types of undertaking referred to in the first subparagraph of Article 1(1)</u></p> <p>- <i>Belgium:</i> la <del>société</del><u>societe</u> anonyme/de naamloze vennootschap, la <del>société</del><u>societe</u> en commandite par actions / de commanditaire vennootschap op aandelen, la <del>société</del><u>societe</u> de personnes à <del>responsabilité limitée</del><u>responsabilite limitee</u>/de personenvennootschap met beperkte aansprakelijkheid; <b>cooperative company with limited liability (CVBA)</b>;</p> <p>- <i>Bulgaria:</i> <u>акционерно дружество, дружество с ограничена отговорност, командитно дружество с акции;</u></p> <p>— <del>in</del> <u>the Czech Republic:</u> <u>společnost s ručením omezeným, akciová společnost;</u></p> <p>- <i>Denmark:</i> aktieselskaber, kommanditaktieselskaber, anpartsselskaber;</p> <p>— <del>in</del> <u>France:</u></p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>— in the Netherlands: de naamloze vennootschap, de besloten vennootschap met beperkte aansprakelijkheid;</p> <p>— in the United Kingdom: public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</p> <p>— in Greece: η ανώνυμη εταιρία, η εταιρία περιορισμένης ευθύνης, η ετερόρρυθμη κατά μετοχές εταιρία;</p> <p>— in Spain: la sociedad anónima, la sociedad comanditara por acciones, la sociedad de responsabilidad limitada;</p> <p>— in Portugal: a sociedade anónima, de responsabilidade limitada, a sociedade em comandita por açções, a sociedade por quotas de responsabilidade limitada;</p> <p>— in Austria: die Aktiengesellschaft, die Gesellschaft mit beschränkter Haftung;</p> <p>— in Finland: osakeyhtiö/aktiebolag;</p> <p>— in Sweden: aktiebolag;</p> <p>— in the Czech Republic: společnost s ručením omezeným, akciová společnost;</p> <p>— in Estonia: aktsiaselts, osaühing;</p> <p>— in Cyprus: Δημόσιες εταιρείες περιορισμένης ευθύνης με</p>	<p>- <i>Greece</i>: η ανώνυμη εταιρία, η εταιρία περιορισμένης ευθύνης, η ετερόρρυθμη κατά μετοχές εταιρία;</p> <p>- <i>Spain</i>: la sociedad anonima, la sociedad comanditaria por acciones, la sociedad de responsabilidad limitada;</p> <p>- <i>France</i>: la societe anonyme, la societe en commandite par actions, la societe a responsabilite limitee, <b>societe par actions simplifiee</b>;</p> <p>- <i>Italy</i>: la societa per azioni, la societa in accomandita per azioni, la societa a responsabilita limitata;</p> <p>- <i>Cyprus</i>: Δημόσιες εταιρείες περιορισμένης ευθύνης με μετοχές ή με εγγύηση, ιδιωτικές εταιρείες περιορισμένης ευθύνης με μετοχές ή με εγγύηση;</p> <p>- <i>Latvia</i>: akciju sabiedrība, sabiedrība ar <b>ierobežotu</b> atbildību;</p> <p>- <i>Lithuania</i>: akcinės bendrovės, <b>uždariosios</b> akcinės bendrovės;</p> <p>- <i>Luxembourg</i>: la societe anonyme, la societe en commandite par actions, la societe a responsabilite limitee;</p> <p>- <i>Hungary</i>: reszvenytársasag, korlatolt felelőssegű társasag;</p> <p>- <i>Malta</i>: kumpanija pubblika —public limited liability company, kumpanija privata —private limited liability company, soċjeta in akkomandita bil-kapital maqsum f'azzjonijiet — partnership en commandite with the capital divided into shares;</p>	<p><del>la société anonyme, la société en commandite par actions, la société à responsabilité limitée;</del></p> <p><del>— in Germany:</del> <del>die Aktiengesellschaft, die Kommanditgesellschaft auf Aktien, die Gesellschaft mit beschränkter Haftung;</del></p> <p><del>- Estonia:</del> <del>aktsiaselts, osauhing;</del></p> <p><del>- Ireland:</del> public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</p> <p><del>— in Italy:</del> <del>la società per azioni, la società in accomandita per azioni, la società a responsabilità limitata;</del></p> <p><del>— in Luxembourg:</del> <del>la société anonyme, la société en commandite par actions, la société à responsabilité limitée;</del></p> <p><del>— in the Netherlands:</del> <del>de naamloze vennootschap, de besloten vennootschap met beperkte aansprakelijkheid;</del></p> <p><del>— in the United Kingdom:</del> <del>public companies limited by shares or by guarantee, private companies limited by shares or by guarantee;</del></p> <p><del>— in Greece:</del> η ανώνυμη εταιρία, η εταιρία περιορισμένης ευθύνης, η ετερόρρυθμη κατά μετοχές εταιρία;</p> <p><del>— in Spain:</del> la sociedad <del>anónima</del> <b>anonima</b>, la sociedad <del>comanditara</del> <b>comanditaria</b> por acciones, la sociedad de responsabilidad limitada;</p> <p><del>— in Portugal:</del></p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>μετοχές ή με εγγύηση, ιδιωτικές εταιρείες περιορισμένης ευθύνης με μετοχές ή με εγγύηση;</p> <p>— in Latvia: akciju sabiedrība, sabiedrība ar ierobežotu atbildību;</p> <p>— in Lithuania: akcinės bendrovės, uždarosios akcinės bendrovės;</p> <p>— in Hungary: résztvénytársaság, korlátolt felelősségű társaság;</p> <p>— in Malta: kumpanija pubblika —public limited liability company, kumpanija privata —private limited liability company, soċjeta in akkomandita bil-kapital maqsum f'azzjonijiet —partnership en commandite with the capital divided into shares;</p> <p>— in Poland: spółka akcyjna, spółka z ograniczoną odpowiedzialnością, spółka komandytowo-akcyjna;</p> <p>— in Slovenia: delniška družba, družba z omejeno odgovornostjo, komanditna delniška družba;</p> <p>— in Slovakia: akciová spoločnosť, spoločnosť s ručením obmedzeným;</p> <p>— in Bulgaria: акционерно дружество, дружество с ограничена отговорност, командитно дружество с акции;</p> <p>— in Romania: societate pe acțiuni, societate cu răspundere limitată, societate în comandită pe acțiuni.</p>	<p>- <i>the Netherlands</i>: de naamloze vennootschap, de besloten vennootschap met beperkte aansprakelijkheid;</p> <p>- <i>Austria</i>: die Aktiengesellschaft, die Gesellschaft mit beschränkter Haftung;</p> <p>- <i>Poland</i>: spółka akcyjna, spółka z ograniczoną odpowiedzialnością, spółka komandytowo-akcyjna;</p> <p>- <i>Portugal</i>: a sociedade anonima, de responsabilidade limitada, a sociedade em comandita por acoes, a sociedade por quotas de responsabilidade limitada;</p> <p>- <i>Romania</i>: societate pe acțiuni, societate cu răspundere limitată, societate în comandită pe acțiuni.</p> <p>- <i>Slovenia</i>: delniška družba, družba z omejeno odgovornostjo, komanditna delniška družba;</p> <p>- <i>Slovakia</i>: akciová spoločnosť, spoločnosť s ručením obmedzeným;</p> <p>- <i>Finland</i>: <b>yksityinen osakeyhtiö/privat aktiebolag, julkinen osakeyhtiö/publikt aktiebolag</b>;</p> <p>- <i>Sweden</i>: aktiebolag;</p> <p>- <i>the United Kingdom</i>: public companies limited by shares or by guarantee, private companies limited by shares or by guarantee</p>	<p><del>a sociedade anónima, de responsabilidade limitada, a sociedade em comandita por ações, a sociedade por quotas de responsabilidade limitada;</del></p> <p>— in <i>Austria</i>: <del>die Aktiengesellschaft, die Gesellschaft mit beschränkter Haftung;</del></p> <p>— in <i>Finland</i>: <del>osakeyhtiö/</del> <u>France</u>: <u>la société anonyme, la société en commandite par actions, la société a responsabilité limitée, <b>société par actions simplifiée</b></u>;</p> <p>- <i>Italy</i>: <u>la società per azioni, la società in accomandita per azioni, la società a responsabilità limitata;</u></p> <p><del>aktiebolag;</del></p> <p>— in <i>Sweden</i>: <del>aktiebolag;</del></p> <p>— in the <i>Czech Republic</i>: <del>společnost s ručením omezeným, akciová společnost;</del></p> <p>— in <i>Estonia</i>: <del>aktsiaselts, osaühing;</del></p> <p>— in <i>Cyprus</i>: Δημόσιες εταιρείες περιορισμένης ευθύνης με μετοχές ή με εγγύηση, ιδιωτικές εταιρείες περιορισμένης ευθύνης με μετοχές ή <del>με εγγύηση;</del></p> <p>— in <u>με εγγύηση;</u></p> <p>- <i>Latvia</i>: akciju sabiedrība, sabiedrība ar <b>ierobežotu</b> atbildību;</p> <p>— in <i>Lithuania</i>:</p>

	Content	Examples	Explanation
7 <sup>th</sup>			<p>akcinės bendrovės, <b>uždarosios</b> akcinės bendrovės;</p> <p>— <i>in- Luxembourg:</i>  <a href="#">la societe anonyme, la societe en commandite par actions, la societe a responsabilite limitee;</a></p> <p>- <i>Hungary:</i>  <a href="#">részvénytársaság, korlátolt felelősségű társaság;</a></p> <p>— <i>in</i> <a href="#">részvénytársasag, korlatolt felelőssegű társasag;</a></p> <p>- <i>Malta:</i>  kumpanija pubblika —public limited liability company, kumpanija privata —private limited liability company, -soċjeta in akkomandita bil-kapital maqsum f'azzjonijiet —partnership en commandite with the capital divided into shares;</p> <p>- <i>the Netherlands:</i>  <a href="#">de naamloze vennootschap, de besloten vennootschap met beperkte aansprakelijkheid;</a></p> <p>— <i>in- Austria:</i>  <a href="#">die Aktiengesellschaft, die Gesellschaft mit beschränkter Haftung;</a></p> <p>- <i>Poland:</i>  <a href="#">spółka</a> akcyjna, <a href="#">spółka</a> z ograniczoną odpowiedzialnością, <a href="#">spółka</a> komandytowo-akcyjna;</p> <p>— <i>in- Portugal:</i>  <a href="#">a sociedade anonima, de responsabilidade limitada, a sociedade em comandita por acoes, a sociedade por quotas de responsabilidade limitada;</a></p> <p>- <i>Romania:</i>  <a href="#">societate pe actiuni, societate cu raspundere limitata, societate in comandita pe actiuni.</a></p> <p>- <i>Slovenia:</i>  delniška družba, družba z omejeno odgovornostjo,</p>

	Content	Examples	Explanation
7 <sup>th</sup>			<p>komanditna delniška družba;</p> <p>— <u>in Slovakia:</u>  <u>akciová akciová</u> spoločnosť, spoločnosť s ručením obmedzeným; <u>ručením obmedzeným</u>;</p> <p>- <u>Finland:</u>  <u>yksityinen osakeyhtio/privat aktiebolag, julkinen osakeyhtio/publikt aktiebolag</u>;</p> <p>- <u>Sweden:</u>  <u>aktiebolag</u>;</p> <p>- <u>the United Kingdom:</u>  <u>public companies limited by shares or by guarantee, private companies limited by shares or by guarantee</u>— <u>in Bulgaria:</u>  <u>акционерно дружество, дружество с ограничена отговорност, командитно дружество с акции</u>;</p> <p>— <u>in Romania:</u>  <u>societate pe acțiuni, societate cu răspundere limitată, societate în comandită pe acțiuni</u>.</p>
7 <sup>th</sup>	<p>(a) in Germany:  die offene Handelsgesellschaft, die Kommanditgesellschaft;</p> <p>(b) in Belgium:  la société en nom collectif/de vennootschap onder firma, la société en commandité simple/de gewone commanditaire vennootschap;</p> <p>(c) in Denmark:  interessentskaber, kommanditselskaber;</p> <p>(d) in France:  la société en nom collectif, la société en commandite</p>	<p style="text-align: center;"><b>ANNEX II</b></p> <p style="text-align: center;"><b>Types of undertaking referred to in the second subparagraph of Article 1(1)</b></p> <p>- <u>Belgium</u>  la societate en nom collectif/de vennootschap onder firma, la societate en commandite simple/de gewone commanditaire vennootschap, <b>cooperative company with unlimited liability (CVOA)</b>;</p> <p>- <u>Bulgaria:</u>  събирателно дружество, командитно дружество;</p> <p>- <u>the Czech Republic:</u>  veřejna obchodní společnost, komanditní společnost ;</p> <p>- <u>Denmark:</u>  interessentskaber, kommanditselskaber;</p>	<p><del>(a) in Germany:</del></p> <p style="text-align: center;"><b><u>ANNEX II</u></b></p> <p style="text-align: center;"><b><u>Types of undertaking referred to in the second subparagraph of Article 1(1)</u></b></p> <p><del>die offene Handelsgesellschaft, die Kommanditgesellschaft;</del></p> <p><del>(b) in Belgium:</del>  la <u>sociétésociete</u> en nom collectif/de vennootschap onder firma, la <u>sociétésociete</u> en <u>commanditécommandite</u> simple/de gewone commanditaire vennootschap;</p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>simple;</p> <p>(e) in Greece: η ομόρρυθμος εταιρία, η ετερόρρυθμος εταιρία;</p> <p>(f) in Spain: sociedad colectiva, sociedad en comandita simple;</p> <p>(g) in Ireland: partnerships, limited partnerships, unlimited companies;</p> <p>(h) in Italy: la società in nome collettivo, la società in accomandita semplice;</p> <p>(i) in Luxembourg: la société en nom collectif, la société en commandite simple;</p> <p>(j) in the Netherlands: de vennootschap onder firma, de commanditaire vennootschap;</p> <p>(k) in Portugal: sociedade em nome colectivo, sociedade em comandita simples;</p> <p>(l) in the United Kingdom: partnerships, limited partnerships, unlimited companies;</p> <p>(m) in Austria: die offene Handelsgesellschaft, die Kommanditgesellschaft;</p> <p>(n) in Finland: avoin yhtiö/ öppet bolag, kommandiittiyhtiö/kommanditbolag;</p> <p>(o) in Sweden:</p>	<p>- <i>Germany</i>: die offene Handelsgesellschaft, die Kommanditgesellschaft;</p> <p>- <i>Estonia</i>: taisuhing, usaldusuhing;</p> <p>- <i>Ireland</i>: partnerships, limited partnerships, unlimited companies;</p> <p>- <i>Greece</i>: η ομόρρυθμος εταιρία, η ετερόρρυθμος εταιρία;</p> <p>- <i>Spain</i>: sociedad colectiva, sociedad en comandita simple;</p> <p>- <i>France</i>: la société en nom collectif, la société en commandite simple;</p> <p>- <i>Italy</i>: la società in nome collettivo, la società in accomandita semplice;</p> <p>- <i>Cyprus</i>: Ομόρρυθμες και ετερόρρυθμες εταιρείες (συνεταιρισμοί);</p> <p>- <i>Latvia</i>: pilnsabiedrība, komanditsabiedrība;</p> <p>- <i>Lithuania</i>: tikrosios ūkinės bendrijos, komandinės ūkinės bendrijos;</p> <p>- <i>Luxembourg</i>: la société en nom collectif, la société en commandite simple;</p> <p>- <i>Hungary</i>: közkereseti társaság, betéti társaság, közös vállalat,</p>	<p><del>(c) in Denmark: <u>cooperative company with</u> interessentskaber, kommanditselskaber;</del></p> <p><del>(d) in France: la société en nom collectif, la société en commandite simple;</del></p> <p><del>(e) in Greece: η ομόρρυθμος εταιρία, η ετερόρρυθμος εταιρία;</del></p> <p><del>(f) in Spain: sociedad colectiva, sociedad en comandita simple;</del></p> <p><del>(g) in Ireland: partnerships, limited partnerships, <b>unlimited</b> companies; <u>liability (CVOA)</u>;</del></p> <p><del>- <i>Bulgaria</i>: събирателно дружество, командитно дружество;</del></p> <p><del>(h) in Italy: la società in nome collettivo, la società in accomandita semplice;</del></p> <p><del>(i) in Luxembourg: la société en nom collectif, la société en commandite simple;</del></p> <p><del>(j) in</del></p> <p><del>- <i>the Netherlands</i>: <i>Czech Republic</i>: veřejna obchodní společnost, komanditní společnost;</del></p> <p><del>- <i>Denmark</i>: <u>interessentskaber, kommanditselskaber</u>;</del></p> <p><del>- <i>Germany</i>: <u>die offene Handelsgesellschaft, die Kommanditgesellschaft</u>;</del></p>

	Content	Examples	Explanation
7 <sup>th</sup>	<p>handelsbolag, kommanditbolag;</p> <p>(p) in the Czech Republic: veřejná obchodní společnost, komanditní společnost, družstvo;</p> <p>(q) in Estonia: täisühing, usaldusühing;</p> <p>(r) in Cyprus: Ομόρρυθμες και ετερόρρυθμες εταιρείες (συνεταιρισμοί);</p> <p>(s) in Latvia: pilnsabiedrība, komanditsabiedrība;</p> <p>(t) in Lithuania: tikrosios ūkinės bendrijos, komandinės ūkinės bendrijos;</p> <p>(u) in Hungary: közkereseti társaság, betéti társaság, közös vállalat, egyesülés;</p> <p>(v) in Malta: Soċjeta f'isem kollettiv jew soċjeta in akkomandita, bil-kapital li mhux maqsum f'azzjonijiet meta s-soċji kollha li għandhom responsabbilita' llimitata huma soċjetajiet tat-tip deskritt f'sub paragrafu 1 — Partnership <i>en nom collectif</i> or partnership <i>en commandite</i> with capital that is not divided into shares, when all the partners with unlimited liability are partnerships as described in sub-paragraph 1;</p> <p>(w) in Poland: spółka jawna, spółka komandytowa;</p> <p>(x) in Slovenia: družba z neomejeno odgovornostjo, komanditna družba;</p>	<p>egyesüles, <b>egyesi cég</b>;</p> <p>- <i>Malta</i>: Soċjeta f'isem kollettiv jew soċjeta in akkomandita, bil-kapital li mhux maqsum f'azzjonijiet meta s-soċji kollha li għandhom responsabbilita' llimitata huma soċjetajiet in akkomandita bilkapital maqsum f'azzjonijiet — Partnership en nom collectif or partnership en commandite with capital that is not divided into shares, when all the partners with unlimited liability are partnership en commandite with the capital divided into shares ;</p> <p>- <i>the Netherlands</i>: de vennootschap onder firma, de commanditaire vennootschap;</p> <p>- <i>Austria</i>: die offene <b>Gesellschaft</b>, die Kommanditgesellschaft;</p> <p>- <i>Poland</i>: spółka jawna, spółka komandytowa;</p> <p>- <i>Portugal</i>: sociedade em nome colectivo, sociedade em comandita simples;</p> <p>- <i>Romania</i>: societate in nume colectiv, societate in comandită simplă;</p> <p>- <i>Slovenia</i>: družba z neomejeno odgovornostjo, komanditna družba;</p> <p>- <i>Slovakia</i>: verejná obchodná spoločnosť, komanditná spoločnosť;</p> <p>- <i>Finland</i>: avoin yhtiö/ oppet bolag, kommandiittiyhtiö/kommanditbolag;</p>	<p>- <i>Estonia</i>: <a href="#">täisühing, usaldusühing</a>;</p> <p>- <i>Ireland</i>: <a href="#">de vennootschap onder firma, de commanditaire vennootschap</a>;</p> <p>(k) in Portugal: <a href="#">sociedade em nome colectivo, sociedade em comandita simples</a>;</p> <p>(l) in the United Kingdom: partnerships, limited partnerships, unlimited companies;</p> <p>- <i>Greece</i>: <a href="#">η ομόρρυθμος εταιρία, η ετερόρρυθμος εταιρία</a>;</p> <p>- <i>Spain</i>: <a href="#">sociedad colectiva, sociedad en comandita simple</a>; (m) in Austria: <a href="#">die offene Handelsgesellschaft, die Kommanditgesellschaft</a>;</p> <p>(n) in Finland: <a href="#">avoin-yhtiö/ oppet bolag, kommandiittiyhtiö/kommanditbolag</a>;</p> <p>(o) in Sweden: <a href="#">handelsbolag, kommanditbolag</a>;</p> <p>- <i>France</i>: <a href="#">la societe en nom collectif, la societe en commandite simple</a>;</p> <p>- <i>Italy</i>: <a href="#">la societa in nome collettivo, la societa in accomandita semplice</a>;</p> <p><a href="#">handelsbolag, kommanditbolag</a>;</p>



	Content	Examples	Explanation
7 <sup>th</sup>	<p>(y) in Slovakia: verejná obchodná spoločnosť, komanditná spoločnosť;</p> <p>(z) in Bulgaria: събирателно дружество, командитно дружество;</p> <p>(aa) in Romania: asocietate în nume colectiv, societate în comandită simplă</p>	<p>- <i>Sweden</i>: handelsbolag, kommanditbolag;</p> <p>- <i>the United Kingdom</i>: partnerships, limited partnerships, unlimited companies.</p>	<p><del>(p)</del> in the <i>Czech Republic</i>: <del>veřejná obchodní společnost, komanditní společnost, družstvo;</del></p> <p><del>(q)</del> in <i>Estonia</i>: <del>täisühing, usaldusühing;</del></p> <p><del>(r)</del> in <i>Cyprus</i>: Ομόρρυθμες και ετερόρρυθμες εταιρείες (συνεταιρισμοί);</p> <p><del>(s)</del> in <i>Latvia</i>: pilnsabiedrība, komanditsabiedrība;</p> <p><del>(t)</del> in <i>Lithuania</i>: tikrosios ūkinės bendrijos, komandinės ūkinės bendrijos;</p> <p><del>(u)</del> in <i>Luxembourg</i>: <del>la société en nom collectif, la société en commandite simple;</del></p> <p>- <i>Hungary</i>: <del>közkereseti társaság, betéti társaság, közös vállalat, egyesülés;</del></p> <p><del>(v)</del> in <i>Hungary</i>: <del>közkereseti társaság, betéti társaság, közös vállalat, egyesülés, egyenlő cégek;</del></p> <p>- <i>Malta</i>: Soċjeta f'isem kollettiv jew soċjeta in akkomandita, bil-kapital li mhux maqsum f'azzjonijiet meta s-soċji kollha li għandhom responsabbilita' llimitata huma soċjetajiet <del>tat tip deskritt f'sub-paragrafu 1</del> — in <del>akkomandita bilkapital maqsum f'azzjonijiet</del> — Partnership en nom collectif or partnership en commandite with capital that is not divided into shares, when all the partners with unlimited liability are <del>partnerships as described in sub-paragraph 1;</del> <del>partnership en commandite with the capital divided into shares</del> .</p>

	Content	Examples	Explanation
7 <sup>th</sup>			<p>- <u>the Netherlands:</u>  <u>de vennootschap onder firma, de commanditaire vennootschap;</u>(w) in</p> <p>- <u>Austria:</u>  <u>die offene <b>Gesellschaft</b>, die Kommanditgesellschaft;</u></p> <p>- <u>Poland:</u>  <u>spółka <u>spółka</u> jawna, <u>spółka <u>spółka</u> komandytowa;</u></u></p> <p>- <u>Portugal:</u>  <u>sociedade em nome colectivo, sociedade em comandita simples;</u>(x)</p> <p>- <u>Romania:</u>  <u>societate in nume colectiv, societate in comandită simplă;</u></p> <p>- <u>Slovenia:</u>  <u>družba z neomejeno odgovornostjo, komanditna družba;</u></p> <p>(y) in- <u>Slovakia:</u>  <u>verejná obchodná <u>verejná obchodna</u> spoločnosť, <u>komanditná <u>komanditna</u> spoločnosť;</u></u></p> <p>- <u>Finland:</u>  <u>avoin yhtiö/ <u>oppet bolag</u>, <u>kommandiittiyhtiö/kommanditbolag;</u></u></p> <p>- <u>Sweden:</u>  <u>handelsbolag, kommanditbolag;</u>(z) in <u>Bulgaria:</u></p> <p>- <u>the United Kingdom:</u>  <u>partnerships, limited partnerships, unlimited companies.</u> <u>събирателно дружество, командитно дружество;</u></p> <p>(aa) in <u>Romania:</u>  <u>asocietate în nume colectiv, societate în comandită simplă</u></p>