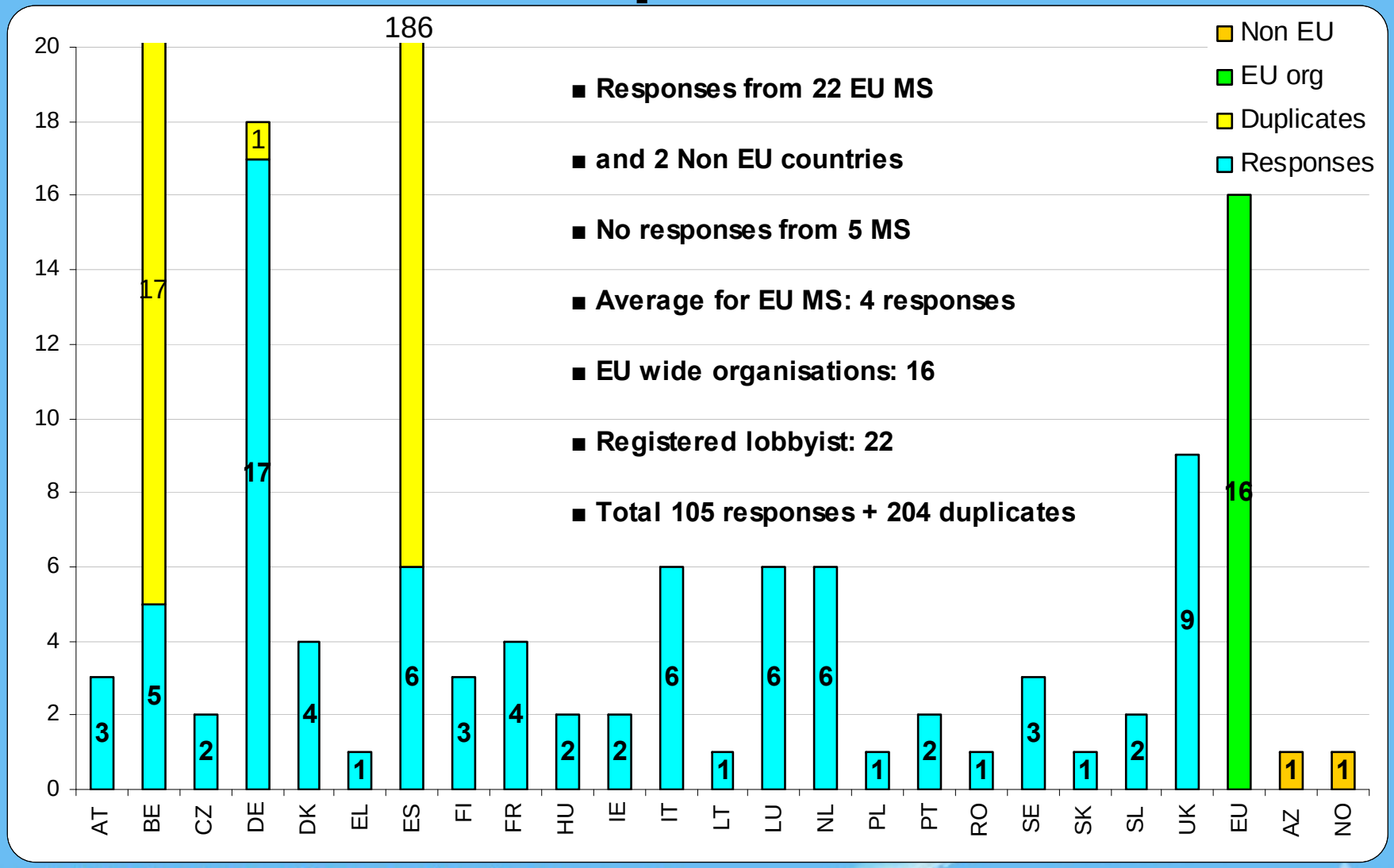
Results of the Consultations on the Review of the Accounting Directives

European Commission
Internal Market & Services DG

Responses



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Note: Repetitions treated as one answer

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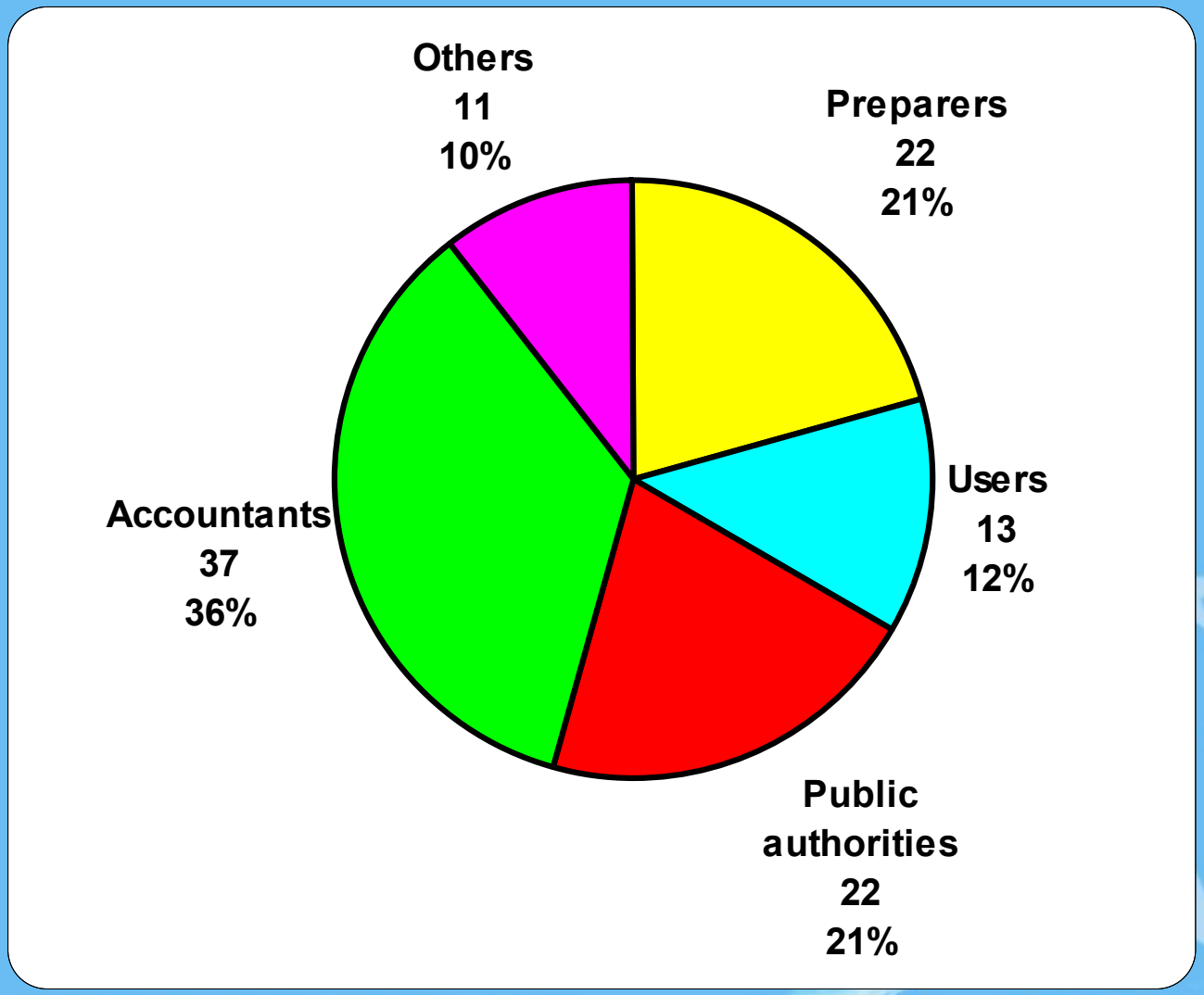

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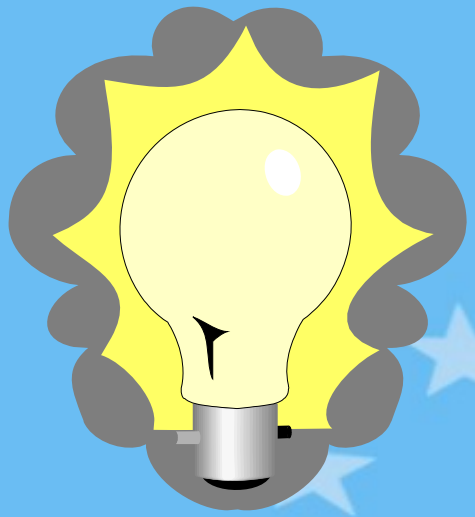
Consultation paper - contents



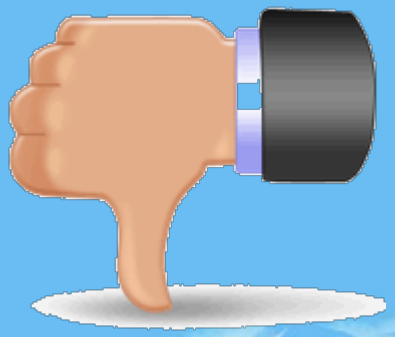
- Basic principles – qualitative characteristics
- Structure – "bottom-up" approach
- Member State options
- Definition and number of company categories
- Elements of annual accounts
- Publication requirements – electronic filing
- Layout requirements
- Notes to the accounts
- Valuation issues
- Creating one Accounting Directive – terms and technical language
- The future role of the Accounting Directives - Outlook

Support for

- Separate section for principles (Q1: 98%)
- Bottom up approach (Q3: 75%)
- Cash flow statement for large companies (Q12: 73%, Q13: 81%)
- Simplified layouts (Q24: 60%)
- Reduction of disclosure requirements (Q29, Q30)
- Clarification of valuation rules (Q32: 85%)
- Streamlining and modernisation of language (Q36: 85%)

Lack of support for

- Reduction of number of categories (Q9: 62%)
- Elimination of annual report for Medium sized (Q11: 66%)
- Publication exemption for Small sized (Q17: 71%)
- “Key financial indicators” for Small sized (Q26: 86%)



Satisfaction with

- Criteria defining segments (Q7: 89%)
- Thresholds levels (Q8: 67%)
- Number of categories (Q9: 62%)

Next steps

- Responses published on the webpage
- Summary of the Consultation
- Discussions with stakeholders and MS
- Discussions with EFRAG SME working group
- Impact Assessment
- Legal proposal

Issue 1: Cash flow statement

- In the light of modernisation support for requiring medium-sized and large companies
- Additional information regarded as useful
- Minimum layout in the Directive
- Direct and indirect method should be permitted

Issue 2: Layouts

- Support for prescriptive layouts, but
- To ensure comparability minimum level should be kept
- Suggestion is to provide a list of items to be included in b/s and p/l
- Sequence and titles flexible
- Additional information required if necessary to provide a true and fair view

Issue 3: Disclosures

- more rigid approach compared to initial proposal
- proposal based on “abridged notes” (Art. 44)

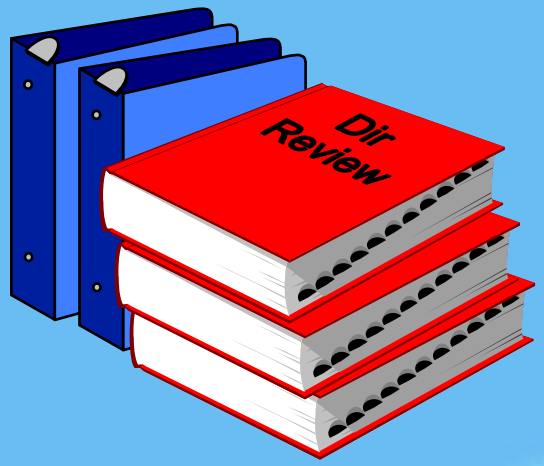
1. Accounting policies and valuation methods
2. names, registered offices of undertakings with at least 20% stake, if material
3. nature and business purpose of arrangements not in the b/s and their financial impact, if material
4. Average number of persons employed

- abolition of additional requirements, mainly quantitative information

Documents

- New dedicated website with all the documents and responses to consultation:

http://ec.europa.eu/internal_market/accounting/sme_accounting/review_directives_en.htm



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