Disclosure requirements for medium-sized companies and obligation to draw up consolidated accounts

2008/0084(COD) - 17/11/2008

The Committee on Legal Affairs adopted the report drafted by Ieke van den **BURG** (PES, NL) and made amendments to the proposal for a directive of the European Parliament and of the Council amending Council Directives 78/660/EEC and 83/349/EEC as regards certain disclosure requirements for medium-sized companies and obligation to draw up consolidated accounts.

The main amendments adopted in committee (1st reading of the codecision procedure) are as follows:

- as regards the amendment of the 7th Directive (Directive 83/349/EEC) on consolidated accounts, MEPs stress that a parent undertaking should be exempt from the obligation to draw up consolidated accounts and a consolidated annual report if that parent undertaking has only subsidiary undertakings considered as not material, both individually and as a whole. Although this statutory obligation should be lifted, a parent undertaking could still draw up consolidated accounts and a consolidated annual report on its own initiative;

- the exemption proposed by the Commission must not be acted on unless there is continued complete transparency vis-à-vis third parties. Accordingly, MEPs consider that it should be made clear that any company availing itself of this exemption must disclose, in the annex to its annual accounts, why it decided not to draw up consolidated accounts.