

# Company law: annual accounts of micro-entities

2009/0035(COD) - 24/09/2009

In public deliberation, the Council held a **policy debate** on a draft directive aimed at simplifying the business environment, and particularly the financial reporting requirements, for micro-enterprises in order to enhance their competitiveness and release their growth potential.

The outcome of the debate provides political guidance for further work to be continued within the Council. The debate focused on two key issues:

- I. the significance of the proposed directive in a broader context of the simplification process of the 4th and 7th company law directives ("Accounting directives"), which was announced in the Commission's legislative work programme; and
- II. the optional nature of the proposal: Member States that wish to reduce administrative burdens on micro-entities caused by the requirement to draw up and publish annual accounts, would be allowed to exclude them from the scope of the 4th company law directive. However, some concerns have been raised that the optional nature of the proposal would result in de-harmonisation of rules at EU level in the field of accounting.

The European Parliament has not yet adopted its opinion on the proposal, which falls under the legislative codecision procedure.