

# Company law: annual accounts of micro-entities

2009/0035(COD) - 10/03/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 618 votes to 17, with 5 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities.

The European Parliament set out its position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure). The amendments amend the Commission's proposal as follows:

- Members consider that **micro-entities must still be subject to the obligation to keep records that show the company's business transactions and financial situation** as a minimum standard to which Member States remain free to add further obligations;
- given that the threshold values set in this Directive will apply to numbers of businesses which will vary greatly from one Member State to another, and given that the activities of micro-entities have no bearing on cross-border trade or the functioning of the internal market, **the Member States should have the freedom to decide whether or not to exempt micro-entities**, taking into account, in particular, the situation at national level with respect to the number of businesses covered under the threshold values laid down in the directive;
- a new recital stresses that whilst it is imperative to ensure transparency also for micro-entities, in order to ensure that they are open and have access to the financial markets, Member States should take into account the specific conditions and needs of their own market when implementing Directive 78/660/EEC.