

Company law: annual accounts of micro-entities

2009/0035(COD) - 14/03/2012 - Final act

PURPOSE: to amend the 4th Company Law Directive (Directive 78/660/EEC) to simplify the business environment and particularly the financial reporting requirements for micro-entities in order to enhance their competitiveness and release their growth potential.

LEGISLATIVE ACT: Directive 2012/6/EU of the European Parliament and of the Council amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities.

CONTENT: the Council adopted a directive aimed at **exempting very small companies from accounting and financial reporting obligations**, following an agreement with the European Parliament at second reading.

The new provisions have the potential to significantly reduce the administrative burden for those companies not exceeding the limits of two of the following criteria:

- a balance sheet total of **EUR 350 000**,
- a net turnover of **EUR 700 000** and
- an average of **ten employees** during the financial year.

The directive will allow Member States to exempt micro-enterprises from the **publication of annual accounts**. This optional exemption will be compatible with national obligations to keep records showing the company's business transactions and financial situation.

Report: not later than 10 April 2017 the Commission shall submit to the European Parliament, the Council and the European Economic and Social Committee a report on the situation of micro-entities taking account in particular of the situation at national level regarding the number of companies covered by the size criteria and the reduction of administrative burdens resulting from the exemption from the publication requirement.

ENTRY INTO FORCE: 10/04/2012.

TRANSPOSITION: Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive if and when they decide to make use of any option provided for in Article 1a of Directive 78/660/EEC, taking into account in particular the situation at national level regarding the number of companies covered by the size criteria laid down in paragraph 1 of that Article.