ACCOUNTANCY EUROPE.

AUDIT EXEMPTION THRESHOLDS IN EUROPE

Post 2023 inflation related developments in 32 European countries

Survey results

FACTS.

AUDIT & ASSURANCE
JANUARY 2026

HIGHLIGHTS

Small companies in the European Union remain exempt from a mandatory statutory audit under the 2013 Accounting Directive, unless a European Economic Area (EEA) Member State decides to apply an audit requirement at national level. This publication updates our 2021 analysis and presents the latest audit exemption thresholds across Europe following the introduction of Delegated Directive (EU) 2023/2775.

The new delegated directive increased the EU size criteria by 25% to reflect accumulated inflation, and countries responded differently.

In our 2026 survey, 10 countries chose not to change their thresholds, 12 countries applied the full 25% increase, and 9 countries increased their thresholds by more than 25%. One jurisdiction continues to have no audit exemption thresholds, however it introduced a review option for very small entities as an alternative to statutory audit.

INTRODUCTION

This publication follows up on our 2021 publication and presents the currently applicable[1] audit exemption thresholds in 32 European countries. Since 2021, several countries have amended their legislation on the thresholds. This paper provides an overview of the main changes.

The data for this publication were provided by Accountancy Europe's Member Bodies. It includes 27 European Union (EU) Member States, Iceland, Norway, Switzerland, Türkiye and United Kingdom – referred to as 'European countries' hereafter.

EU APPROACH TO AUDIT THRESHOLDS

BEFORE THE 2023 DELEGATED ACCOUNTING DIRECTIVE

This period refers to the regime established by the 2013 Accounting Directive (Directive 2013/34/EU). Under this Directive, companies defined as small undertakings are no longer required to have a statutory audit based on EU legislation. Recital 43 of the 2013 Accounting Directive confirms this intention.

The 2013 Accounting Directive requires the statutory audit of the following categories of companies:

- public interest entities (PIEs)[2]

  Broadly, PIEs are entities traded on a regulated market, credit and insurance institutions and other entities specifically designated as such by Member States.[3]
- medium-sized and large undertakings

Nevertheless, Member States can impose an audit on all or part of their small undertakings, also referred to as the 'opt-in' regime. This decision to opt-in is usually driven by the conditions of these small companies and the needs of the users of their accounts. Indeed, the size of a country's economy as well as the size of its individual entities might be taken into consideration. The need for certainty to banks, suppliers, shareholders, employees and especially tax authorities might play a role in this decision too. The decision to require audit of small companies might also come as a measure aiming to decrease the risk of economic crime and business insolvency.

CURRENT SITUATION: THE 2023 DELEGATED ACCOUNTING DIRECTIVE (EU) 2023/2775

The latest amendment to the EU Accounting Directive is the Commission Delegated Directive (EU) 2023/2775 of 17 October 2023. This delegated act amends Directive 2013/34/EU by updating the size criteria for micro, small, medium-sized and large undertakings or groups.

The amendment adjusts the financial thresholds (balance sheet total and net turnover)[4] to reflect inflation and economic developments in the EU. As stated in the Commission Delegated Directive (EU) 2023/2775, cumulative inflation in the euro area reached approximately 24% between 2013 and early 2023, which warranted an upward adjustment of the thresholds by 25%. Member States must transpose the updated thresholds for financial years beginning on or after 1 January 2024, with the option of earlier application.

[1] This publication reflects the most recent information on countries' audit exemption thresholds available at the time of publication, including updates to national laws applicable from 2026, where confirmed by member bodies. For thresholds not denominated in euro (EUR), the amounts are converted into EUR using the average exchange rate for the full year 2025 (12 months), as published by the European Central Bank (ECB).
[2] Accounting Directive (2013/34/EU), Article 34(1) requires a statutory audit for public-interest entities. Therefore, PIEs are subject to mandatory audit irrespective of size, i.e. they fall outside the SME audit-exemption regime.
[3] For information on the definition of a public interest entity per country, refer to our publication *Definition of public interest entities in Europe* (2017); available at https://www.accountancyeurope.eu/publications/definition-public-interest-entities-europe/
[4] Definitions of net turnover and balance sheet total may vary across Member States.

This delegated directive does not modify the statutory audit requirements established under the 2013 Accounting Directive. The obligation to carry out a statutory audit continues to apply only to public interest entities, medium-sized undertakings and large undertakings. Small undertakings remain exempt from an EU-level statutory audit requirement unless a Member State chooses to apply the opt-in regime at national level.

EU AUDIT EXEMPTION THRESHOLDS

Under the 2013 Accounting Directive, small undertakings were those which did not exceed at least two of the following thresholds (for two consecutive years). The 2023 Delegated Directive updates these thresholds.

The changes are as follows:

Criterion	(Directive 2013/34/EU)	Delegated Directive (EU) 2023/2775	Member State Maximum (Before → After)
Balance sheet total	EUR 4.000.000	EUR 5.000.000	EUR6.000.000 → EUR7.500.000
Net turnover	EUR 8.000.000	EUR 10.000.000	EUR12.000.000 → EUR15.000.000
Average number of employees	50	50	50 → 50 (no change)

Member State Maximum*: Member States are permitted to increase the thresholds for balance sheet total and net turnover but not exceeding those amounts. The Delegated Directive increases these limits, giving countries greater flexibility to classify more companies as ‘small’ according to their economic context, while the employee (empl.) threshold remains unchanged.*

For EU Member States the ±5% adjustment for rounding into national currencies continues to apply under Delegated Directive (EU) 2023/2775.

OVERVIEW OF CHANGES IN AUDIT EXEMPTION THRESHOLDS IN 32 EUROPEAN COUNTRIES

The table below shows the audit thresholds applicable in each country under Commission Delegated Directive (EU) 2023/2775. In most cases, a statutory audit is required when two of the three thresholds are exceeded for two consecutive years. Where review options exist, the relevant review thresholds are also included. Any country-specific exceptions to the standard rule are explained in the footnotes.

			Balance sheet total		Net turnover		Change %		
Country	**Currency**	**Number of Empl.**	**Threshold (EUR) 2026**	**Threshold (EUR) 2021**	**Threshold (EUR) 2026**	**Threshold (EUR) 2021**	**% (EUR)**	**% (Local Currency)**	**Increase in %**
Austria	EUR	50	6.250.000	5.000.000	12.500.000	10.000.000	25%	25%	25%
Belgium	EUR	50	6.000.000	4.500.000	11.250.000	9.000.000	33%&25%	33%&25%	>25%
Bulgaria[5]	EUR	50	2.045.000	1.000.000	4.090.000	2.000.000	105%	100%	>25%
Croatia	EUR	25	2.500.000	2.000.000	5.000.000	4.000.000	25%	25%	25%
Cyprus a[6]	EUR	0	0	0	0	0	N/a	N/a	N/a
Cyprus b[7]	EUR	0	500.000	0	200.000	0	N/a	N/a	N/a
Czech Republic	CZK	50	4.860.000	1.500.000	9.719.000	3.000.000	224%	200%	>25%
Denmark a[8]	DKK	12	536.000	537.000	1.072.000	1.075.000	0%	0%	No change***
Denmark b[9]	DKK	50	7.369.000	6.000.000	14.873.000	12.000.000	23%	25%	25%
Estonia a[10]	EUR	24	1.000.000	800.000	2.000.000	1.600.000	25%	25%	25%
Estonia b[11]	EUR	50	2.500.000	2.000.000	5.000.000	4.000.000	25%	25%	25%
Finland	EUR	3	100.000	100.000	200.000	200.000	0%	0%	No change***
France[12]	EUR	50	5.000.000	4.000.000	10.000.000	8.000.000	25%	25%	25%
Germany	EUR	50	7.500.000	6.000.000	15.000.000	12.000.000	25%	25%	25%
Greece	EUR	50	5.000.000	4.000.000	10.000.000	8.000.000	25%	25%	25%
Hungary[13]	HUF	50	N/a	N/a	1.508.000	833.333	N/a&81%	N/a&100%	>25%

[5] Bulgaria joined the euro area on 1 January 2026, with a fixed conversion rate of BGN 1,95583 per EUR 1

[6] **Cyprus a:** Above those thresholds, companies may choose extended review or audit. The review option is applicable only if they remain below both EUR200,000 turnover and EUR500,000 assets. See also "Country-Specific Audit Requirements Beyond Standard Thresholds", page 7.

[7] **Cyprus b:** Exceeding either threshold triggers a full statutory audit. Discussions are ongoing in Parliament regarding a possible increase to the audit thresholds, but no amendments have yet been finalised. Current amounts therefore remain applicable until the law is officially updated.

[8] **Denmark a:** Above those thresholds, companies may choose extended review or audit. See also "Country-Specific Audit Requirements Beyond Standard Thresholds", page 7.

[9] **Denmark b:** Above those thresholds, statutory audit becomes mandatory. See also "Country-Specific Audit Requirements Beyond Standard Thresholds", page 7.

[10] **Estonia a:** Above those thresholds, companies may choose Statutory review (ISRE 2400) or audit, if two of the thresholds are exceeded.

[11] **Estonia b:** Above those thresholds, Statutory audit becomes mandatory if two of the thresholds are exceeded.

[12] **France:** See also "Country-Specific Audit Requirements Beyond Standard Thresholds", page 7.

[13] **Hungary:** The standard EU 2 of 3 test is not followed. Instead, it applies two linked conditions (Number of employees and Net Turnover) that must be met for audit exemption. No thresholds are applicable for Balance Sheet.

*** No legislative change to the thresholds in local currency. Any differences shown in euro are due solely to exchange-rate movements. See "Explanation of differences between local-currency and euro percentage changes" below the table.

OVERVIEW OF CHANGES IN AUDIT EXEMPTION THRESHOLDS IN 32 EUROPEAN COUNTRIES

The table below shows the audit thresholds applicable in each country under Commission Delegated Directive (EU) 2023/2775. In most cases, a statutory audit is required when two of the three thresholds are exceeded for two consecutive years. Where review options exist, the relevant review thresholds are also included. Any country-specific exceptions to the standard rule are explained in the footnotes.

			Balance sheet total		Net turnover		Change %		
Country	**Currency**	**Number of Empl.**	**Threshold (EUR) 2026**	**Threshold (EUR) 2021**	**Threshold (EUR) 2026**	**Threshold (EUR) 2021**	**% (EUR)**	**% (Local Currency)**	**Increase in %**
Iceland	ISK	50	1.361.000	1.400.000	2.721.000	2.800.000	-3%	0%	No change***
Ireland	EUR	50	7.500.000	6.000.000	15.000.000	12.000.000	25%	25%	25%
Italy[14]	EUR	20	4.000.000	4.000.000	4.000.000	4.000.000	0%	0%	No change***
Latvia	EUR	50	1.000.000	800.000	2.000.000	1.600.000	25%	25%	25%
Lithuania[15]	EUR	50	2.500.000	1.800.000	4.500.000	3.500.000	39%&29%	39%&29%	>25%
Luxembourg	EUR	50	7.500.000	4.400.000	15.000.000	8.800.000	70%	70%	>25%
Malta a[16]	EUR	2	0	0	0	0	0%	0%	No change***
Malta b[17]	EUR	2	46.600	46.600	93.000	93.000	0%	0%	No change***
Netherlands	EUR	50	7.500.000	6.000.000	15.000.000	12.000.000	25%	25%	25%
Norway[18]	NOK	10	2.305.000	2.500.000	597.000	625.000	-8%&-4%	0%	No change***
Poland	PLN	50	3.125.000	2.500.000	6.250.000	5.000.000	25%	25%	25%
Portugal	EUR	50	1.500.000	1.500.000	3.000.000	3.000.000	0%	0%	No change***
Romania	RON	50	3.173.000	3.350.000	6.347.000	6.650.000	-5%	0%	No change***
Slovakia	EUR	50	4.000.000	2.000.000	8.000.000	4.000.000	100%	100%	>25%
Slovenia	EUR	50	5.000.000	4.000.000	10.000.000	8.000.000	25%	25%	25%
Spain	EUR	50	2.850.000	2.850.000	5.700.000	5.700.000	0%	0%	No change***
Sweden	SEK	3	136.000	150.000	271.000	300.000	-10%	0%	No change***
Switzerland	CHF	250	21.342.000	18.203.000	42.685.000	36.405.000	17%	0%	No change***
Turkiye	TRY	150	6.702.000	4.070.000	13.404.000	8.140.000	65%	757%	>25%
United Kingdom	GBP	50	8.756.000	6.541.000	17.511.000	13.082.000	34%	47%	>25%

[14] **Italy:** Statutory Audit is mandatory if any one of the thresholds is exceeded for two consecutive financial years. The obligation to appoint a statutory auditor will cease when the company has not exceeded any of the aforementioned limits for three consecutive financial years. See also "Country-Specific Audit Requirements Beyond Standard Thresholds", pages 7-8.

[15] **Lithuania:** See also "Country-Specific Audit Requirements Beyond Standard Thresholds", pages 7-8.

[16] **Malta a:** Above those thresholds, companies may choose extended review or audit.

[17] **Malta b:** Above those thresholds, statutory audit becomes mandatory. If companies remain below all three thresholds, they are exempt from both audit and review.

[18] **Norway:** In Norway, audit exemption is granted only when a company stays below all three size criteria. Unlike the EU model, meeting just two thresholds is not enough, companies must fall below all limits to waive the audit.

*** No legislative change to the thresholds in local currency. Any differences shown in euro are due solely to exchange-rate movements. See "Explanation of differences between local-currency and euro percentage changes" below the table.

EXPLANATION OF DIFFERENCES BETWEEN LOCAL-CURRENCY AND EURO PERCENTAGE CHANGES

For countries that do not use the euro, the percentage change shown in euro may differ from the percentage change in local currency due solely to exchange-rate movements between 2021 and 2026. The actual legislative change to the audit exemption thresholds is reflected by the % change in local currency, while the euro-based figures show how those thresholds appear after currency translation. For thresholds not denominated in EUR, the amounts are converted into euro using the average exchange rate for twelve months of 2025 as published by the ECB.

COUNTRY-SPECIFIC AUDIT REQUIREMENTS BEYOND STANDARD THRESHOLDS

CYPRUS

In Cyprus, a company may apply a review engagement instead of a statutory audit provided that, in addition to meeting the applicable thresholds, certain additional conditions are met.

The entity must be a private limited liability company, meaning that it is not a public limited liability company, not a public interest entity, and not subject to regulation and supervision by the Central Bank of Cyprus, the Superintendent of Insurance, or the Cyprus Securities and Exchange Commission.

In addition, the company must not be required to prepare consolidated financial statements.

Where a parent company together with its subsidiaries exceeds the applicable thresholds for a review engagement in two consecutive financial years, a statutory audit becomes mandatory.

DENMARK

Special rules apply for holding companies that own a controlling share in other entities. A “controlling amount” is defined as ownership of 20% or more. In such cases, the holding company must combine 100% of the assets, turnover and employees of all subsidiaries when assessing whether an audit is required.

Companies in certain high-risk industries must obtain an auditor’s statement once their revenue exceeds DKK 5.000.000 for two consecutive years. Auditor's statement is required but it does not equate to a full audit.

Entities with more than DKK 50.000.000 in assets must undergo an audit or extended review regardless of turnover or number of employees.

Sole proprietorships do not require an audit regardless of their size or industry.

FRANCE

The thresholds below set out criteria under which different types of French entities are required to appoint a statutory auditor. An audit becomes mandatory when an entity exceeds two of the three thresholds applicable to its category.

Entity Type	Balance sheet total Threshold (EUR) 2026	Net turnover Threshold (EUR) 2026	Empl.
SARL, EURL, SA, SAS, SCA, SCS, SNC, Small groups (parent entities)	5.000.000	10.000.000	50
Controlled companies (subsidiaries of a parent entity)	2.500.000	5.000.000	25
Civil companies with economic activity (SC, SCI with economic activity, etc.)	1.550.000	3.100.000	50
Private training organizations	230.000	153.000	3
Associations with economic activity	1.550.000	3.100.000	50

In addition, several other types of entities must appoint a statutory auditor due to their specific activities, legal status, or the nature of the funds they receive, as outlined below.

Associations receiving significant public subsidies or donations must appoint a statutory auditor when they receive more than EUR 153.000 in public subsidies or tax-deductible donations, regardless of their size.

Some associations must also appoint an auditor because of their activities, for example those that issue bonds, provide authorised loans or operate “Plan d'épargne retraite Populaire” (PERP) schemes (individual retirement savings plans).

Certain regulated bodies are always required to appoint an auditor, such as financial investments vehicles, training organisations, sports federations or healthcare unions.

Public benefit foundations and corporate foundations must appoint a statutory auditor. Endowment funds are also required to appoint an auditor when their year-end resources exceed 10.000 EUR.

ITALY

In Italy, an S.r.l. (Limited Liability Company) must also appoint an auditor if it prepares consolidated financial statements or controls a company already subject to audit. For S.p.A. (Public Limited Company) and similar large companies, the audit requirement applies automatically, with no size thresholds.

LITHUANIA

In addition to the standard audit thresholds for balance sheet total and net turnover, an additional criterion may independently trigger a statutory audit. This applies when the entity has received and used more than EUR 500.000 in financing or support from the government and/or a municipality during the reporting period.

BEYOND MANDATORY AUDIT

Small entities remain central to the European economy, and promoting confidence in their financial information is in the public interest.

Even as several countries increased their thresholds following Delegated Directive (EU) 2023/2775, companies exempt from mandatory audit may still choose voluntary audit or other assurance services.

It is therefore important for the profession to demonstrate the value of these services for SMEs and to offer a range of solutions such as audit, review, and other assurance engagements that respond to the specific needs of small entities and support sound financial management.

AUDIT THRESHOLDS IN COUNTRIES WITH NON-EURO LOCAL CURRENCIES

The table below presents the applicable audit thresholds for countries whose statutory audit criteria are set in local currencies rather than in euro:

Country	Currency	Balance sheet total Threshold (Local Currency) 2026	Net turnover Threshold (Local Currency) 2026	Empl.
Czech Republic	CZK	120.000.000	240.000.000	50
Denmark a	DKK	4.000.000	8.000.000	12
Denmark b	DKK	55.000.000	111.000.000	50
Hungary	HUF	N/a	600.000.000	50
Iceland	ISK	200.000.000	400.000.000	50
Norway	NOK	27.000.000	7.000.000	10
Romania	RON	16.000.000	32.000.000	50
Sweden	SEK	1.500.000	3.000.000	3
Switzerland	CHF	20.000.000	40.000.000	250
Turkiye	TRY	300.000.000	600.000.000	150
United Kingdom	GBP	7.500.000	15.000.000	50

CONCLUSION

The 2026 update reveals a clear restructuring of audit exemption thresholds across Europe following the adoption of Delegated Directive (EU) 2023/2775, but with notable variation in how Member States responded.

Ten countries chose to not revise their thresholds, signalling either satisfaction with the existing framework or a deliberate policy stance to maintain current levels of audit for smaller entities.

Twelve countries implemented the full 25% increase, demonstrating alignment with the Directive's objective to adjust thresholds for accumulated inflation and reduce administrative pressure on SMEs.

Meanwhile, nine countries adopted thresholds increases exceeding 25%, indicating the influence of broader domestic reforms, structural economic considerations, or efforts to adjust the boundary between regulated and non-regulated entities.

One jurisdiction also chose to keep its thresholds unchanged while introducing a review option for small entities.

Despite the upward trend in several jurisdictions, the continued availability of voluntary audit and assurance services remains an important mechanism for SMEs seeking greater transparency, access to finance, or enhanced internal discipline.

As thresholds evolve, the profession has an opportunity to demonstrate the relevance of audit and other assurance engagements and to tailor services that respond to the changing needs of Europe's diverse SME sector.

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