

# Member State Option Comparison Table

The purpose of this document is to highlight the changes in the options available to Member State when transposing the Accounting Directive of 26 June 2013, as compared to those available under the 4<sup>th</sup> Accounting Directive (single company accounts) and 7<sup>th</sup> Accounting Directive (consolidated accounts), and thereby assist member bodies in advising each European Union Member State as to the selection of the most appropriate option.

## Legend

The document is formatted to follow the order of the Articles as contained in the Directive of 26 June 2013.

<u>Content</u>	<u>Examples</u>	<u>Explanation</u>
Normal text	"Pending subsequent coordination, the Member States..."	The text of the Article containing the Member State option
Items in bold	" <b>may prescribe</b> "	The Member State option being discussed
Text in italics and smaller font	"... <i>Consolidated financial statements shall be drawn up...</i> "	Explanatory text taken verbatim from the Directives in order to assist in the understanding of the Article being discussed
Text in italics and smaller font contained within square brackets	"...in Article 19 (1) [ <i>the book value of the shares in a subsidiary against their capital and reserves</i> ] and the elimination referred to in Article 26..."	Additional information, which may be paraphrased and not taken verbatim from the Directives, inserted in the body of the Article to provide the context of the Article being discussed without the necessity of referring to another Article
Article reference numbers	"35.3(b)"	This article reference number signifies, for example, Article 35, sub-article 3, sub-sub-article (b). The notation follows the logical progression within the Directives but is not used verbatim within them.
Abbreviation	"MS"	Member State
Abbreviation	"4 <sup>th</sup> "	Refers to the 4 <sup>th</sup> Council Directive of 25/07/1978 (78/660/EEC) in respect of single company accounts
Abbreviation	"7 <sup>th</sup> "	Refers to the 7 <sup>th</sup> Council Directive of 13/06/1983 (83/349/EEC) in respect of consolidated accounts

This document has been prepared by FEE to the best of its knowledge and ability to ensure that it is accurate and complete. FEE will not be held liable for any loss or damage arising from any inaccuracies or omissions within this document

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
					<b>Article 2 - Definitions</b>	
'Participating interest'	4 <sup>th</sup>	17	For the purposes of this Directive, participating interest shall mean rights in the capital of other undertakings, whether or not represented by certificates, which, by creating a durable link with those undertakings, are intended to contribute to the company's activities. The holding of part of the capital of another company shall be presumed to constitute a participating interest where it exceeds a percentage <b>fixed</b> by the Member States which <b>may not exceed 20 %</b> .	2.2	'Participating interest' means rights in the capital of other undertakings, whether or not represented by certificates, which, by creating a durable link with those undertakings, are intended to contribute to the activities of the undertaking which holds those rights. The holding of part of the capital of another undertaking is presumed to constitute a participating interest where it exceeds a percentage threshold <b>fixed</b> by the Member States <b>which is lower than or equal to 20 %</b> ;	Remains
'Production cost'	4 <sup>th</sup>	35.3(a)  35.3(b)	<i>The production cost shall be calculated by adding to the purchasing price of the raw materials and consumables the costs directly attributable to the product in question.</i>  A reasonable proportion of the costs which are only indirectly attributable to the product in question may be added into the production costs to the extent that they relate to the period of production.	2.7	'Production cost' means the purchase price of raw materials, consumables and other costs directly attributable to the item in question. Member States <b>shall permit or require</b> the inclusion of a reasonable proportion of other fixed or variable overhead costs indirectly attributable to the item in question to the extent that they relate to the period of production. Distribution costs shall not be included.	It is presumed that the entity option becomes a MS option
					<b>Article 3 - Categories of undertakings and groups</b>	
<p><b>Note:</b> The provisions relating to micro-undertakings were introduced into Article 1a of the 4th Directive by Directive 2012/6/EU, only published on the the 14 March 2012. So although the provisions do "Remain" between the 4<sup>th</sup> Directive and the 2013 Directive, in practice they have yet to be applied by any MS so can be regarded as "New".</p>						
Definition of micro-entity	4 <sup>th</sup>	1a.1	Member States <b>may provide</b> for exemptions from certain obligations under this Directive in accordance with paragraphs 2 and 3 in respect of companies which on their balance sheet dates do not exceed the limits of two of the three following criteria (micro-entities): <i>(a) balance sheet total: EUR 350 000;</i> <i>(b) net turnover: EUR 700 000;</i> <i>(c) average number of employees during the financial year: 10.</i>	3.1	In applying one or more of the options in Article 36, Member States shall define micro-undertakings as undertakings which on their balance sheet dates do not exceed the limits of at least two of the three following criteria: <i>(a) balance sheet total: EUR 350 000;</i> <i>(b) net turnover: EUR 700 000;</i> <i>(c) average number of employees during the financial year: 10.</i>	Remains but MS option now rests in article 36.1

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Category of undertaking				3.2	<p><i>Small undertakings shall be undertakings which on their balance sheet dates do not exceed the limits of at least two of the three following criteria:</i></p> <p>(a) <i>balance sheet total: EUR 4 000 000;</i>  (b) <i>net turnover: EUR 8 000 000;</i>  (c) <i>average number of employees during the financial year: 50.</i></p> <p>Member States <b>may define</b> thresholds exceeding the thresholds in points (a) and (b) of the first subparagraph. However, the thresholds shall not exceed EUR 6 000 000 for the balance sheet total and EUR 12 000 000 for the net turnover.</p>	New
Category of group				3.5	<p><i>Small groups shall be groups consisting of parent and subsidiary undertakings to be included in a consolidation and which, on a consolidated basis, do not exceed the limits of at least two of the three following criteria on the balance sheet date of the parent undertaking:</i></p> <p>(a) <i>balance sheet total: EUR 4 000 000;</i>  (b) <i>net turnover: EUR 8 000 000;</i>  (c) <i>average number of employees during the financial year: 50.</i></p> <p>Member States <b>may define</b> thresholds exceeding the thresholds in points (a) and (b) of the first subparagraph. However, the thresholds shall not exceed EUR 6 000 000 for the balance sheet total and EUR 12 000 000 for the net turnover.</p>	New
Exemption from set off of intercompany debts and trading for medium sized undertakings	7 <sup>th</sup>	6.2	A Member State <b>may require or permit</b> that the set-off referred to in Article 19 (1) <i>[the book value of the shares in a subsidiary against their capital and reserves]</i> and the elimination referred to in Article 26 (1) (a) <i>[debts and claims between undertakings]</i> and (b) <i>[income and expenditure between undertakings]</i> be not effected when the aforementioned limits are calculated. In that case, the limits for the balance sheet total and net turnover criteria shall be increased by 20 %.	3.8	Member States shall permit the set-off referred to in Article 24(3) <i>[the book value of the shares in a subsidiary against their capital and reserves]</i> and any elimination as a consequence of Article 24(7) <i>[debts and claims between undertakings; income and expenditure between undertakings]</i> not to be effected when the limits in paragraphs 5 to 7 of this Article are calculated. In such cases, the limits for the balance sheet total and net turnover criteria shall be increased by 20 %.	MS option removed

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Conversion of thresholds to national currencies	4 <sup>th</sup>	12.2	For the purposes of translation into national currencies, the amounts in European units of account specified in Article 11 <b>may be increased</b> by not more than 10 %.	3.9	<i>In the case of those Member States which have not adopted the euro, the amount in national currency equivalent to the amounts set out in paragraphs 1 to 7 shall be that obtained by applying the exchange rate published in the Official Journal of the European Union as at the date of the entry into force of any Directive setting those amounts.</i>  For the purposes of conversion into the national currencies of those Member States which have not adopted the euro, the amounts in euro specified in paragraphs 1, 3, 4, 6 and 7 <b>may be increased or decreased</b> by not more than 5 % in order to produce round sum amounts in the national currencies.	Amended
Threshold calculation when net turnover is not relevant, for parent and affiliated undertakings				3.12	When calculating the thresholds in paragraphs 1 to 7, Member States <b>may require</b> the inclusion of income from other sources for undertakings for which "net turnover" is not relevant. Member States <b>may require</b> parent undertakings to calculate their thresholds on a consolidated basis rather than on an individual basis. Member States <b>may</b> also <b>require</b> affiliated undertakings to calculate their thresholds on a consolidated or aggregated basis where such undertakings have been established for the sole purpose of avoiding the reporting of certain information.	New New New
					<b>Article 4 - General provisions</b>	
Additional statements in the annual financial statements	4 <sup>th</sup>	2.1	<i>The annual accounts shall comprise the balance sheet, the profit and loss account and the notes on the accounts. These documents shall constitute a composite whole.</i>  Member States <b>may permit or require</b> the inclusion of other statements in the annual accounts in addition to the documents referred to in the first subparagraph.	4.1	<i>The annual financial statements shall constitute a composite whole and shall for all undertakings comprise, as a minimum, the balance sheet, the profit and loss account and the notes to the financial statements.</i>  Member States <b>may require</b> undertakings other than small undertakings to include other statements in the annual financial statements in addition to the documents referred to in the first subparagraph.	Remains (if previously "required") except for small undertakings

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Departure from the provision of the Directive in exceptional cases	4 <sup>th</sup>	2.5	<p>Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, [The annual accounts shall give a true and fair view of the company's assets, liabilities, financial position and profit or loss], that provision must be departed from in order to give a true and fair view within the meaning of paragraph 3.</p> <p>Any such departure must be disclosed in the notes on the accounts together with an explanation of the reasons for it and a statement of its effect on the assets, liabilities, financial position and profit or loss.</p> <p>The Member States <b>may define</b> the exceptional cases in question <b>and lay down</b> the relevant special rules.</p>	4.4	<p>Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, [The annual financial statements shall give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. Where the application of this Directive would not be sufficient to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss, such additional information as is necessary to comply with that requirement shall be given in the notes to the financial statements.], that provision shall be disapplied in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. The disapplication of any such provision shall be disclosed in the notes to the financial statements together with an explanation of the reasons for it and of its effect on the undertaking's assets, liabilities, financial position and profit or loss.</p> <p>The Member States <b>may define</b> the exceptional cases in question <b>and lay down</b> the relevant special rules, which shall apply in those cases.</p>	Remains
Additional disclosures	4 <sup>th</sup>	2.6	The Member States <b>may authorize or require</b> the disclosure in the annual accounts of other information as well as that which must be disclosed in accordance with this Directive	4.5	Member States <b>may require</b> undertakings other than small undertakings to disclose information in their annual financial statements which is additional to that required in accordance with this Directive.	Remains (if previously "required") except for small undertakings
Additional disclosures required by national tax legislation				4.6	Member States <b>may require</b> the preparation and publication of disclosures in the financial statements which go beyond the requirements of this Directive, provided that any such information is gathered under a single filing system and the disclosure requirement is contained in the national tax legislation for the strict purposes of tax collection.	New
					<b>Article 6 - General Financial Reporting Principles</b>	
Off-setting of assets and liabilities, and income and expenditure items	4 <sup>th</sup>	7	Any set-off between asset and liability items, or between income and expenditure items, shall be prohibited.	6.2	Notwithstanding point (g) of paragraph 1, [any set-off between asset and liability items, or between income and expenditure items, shall be prohibited] Member States <b>may</b> in specific cases <b>permit or require</b> undertakings to perform set-off between asset and liability items, or between income and expenditure items provided that the amounts which are set-off are specified as gross amounts in the notes to the financial statement.	New

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Application of substance over form principle	4 <sup>th</sup>	4.6	Member States <b>may permit or require</b> the presentation of amounts within items in the profit and loss account and balance sheet to have regard to the substance of the reported transaction or arrangement. Such permission or requirement <b>may be restricted</b> to certain classes of company and/or to consolidated accounts as defined in the Seventh Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts (1).	6.3	Member States <b>may exempt</b> undertakings from the requirements of paragraph 1(h) <i>[items in the profit and loss account and balance sheet shall be accounted for and presented having regard to the substance of the transaction or arrangement concerned]</i> .	Remains but as an opt-out rather than an opt-in Removed
Special layouts for investment companies	4 <sup>th</sup>	5.1	By way of derogation from Article 4(1) and (2), Member States <b>may prescribe</b> special layouts for the annual accounts of investment companies and of financial holding companies provided that those layouts give a view of these companies equivalent to that provided for in Article 2(3). Member States shall not make available the exemptions set out in Article 1a in respect of investment companies or financial holding companies			Removed
Application of materiality principle				6.4	Member States <b>may limit</b> the scope of paragraph 1 (j) <i>[the requirements set out in this Directive regarding recognition, measurement, presentation, disclosure and consolidation need not be complied with when the effect of complying with them is immaterial]</i> to presentation and disclosures.	New
Recognition of foreseeable liabilities and potential losses	4 <sup>th</sup>	31.1a	In addition to those amounts recorded pursuant to paragraph (1)(c)(bb) <i>[account must be taken of all liabilities arising in the course of the financial year concerned or of a previous one, even if such liabilities become apparent only between the date of the balance sheet and the date on which it is drawn up]</i> , Member States <b>may permit or require</b> account to be taken of all foreseeable liabilities and potential losses arising in the course of the financial year concerned or of a previous one, even if such liabilities or losses become apparent only between the date of the balance sheet and the date on which it is drawn up.	6.5	In addition to those amounts recognised in accordance with point (c)(ii) of paragraph 1 <i>[all liabilities arising in the course of the financial year concerned or in the course of a previous financial year shall be recognised, even if such liabilities become apparent only between the balance sheet date and the date on which the balance sheet is drawn up]</i> , Member States <b>may permit or require</b> the recognition of all foreseeable liabilities and potential losses arising in the course of the financial year concerned or in the course of a previous financial year, even if such liabilities or losses become apparent only between balance sheet date and the date on which the balance sheet is drawn up.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
					<b>Article 7 - Alternative measurement basis of fixed assets at revalued amounts</b>	
Valuation of fixed assets	4 <sup>th</sup>	33.1	The Member States <b>may declare to the Commission</b> that they <b>reserve the power</b> , by way of derogation from Article 32 and pending subsequent coordination, <b>to permit or require</b> in respect of all companies or any classes of companies: <i>(a) valuation by the replacement value method for tangible fixed assets with limited useful economic lives and for stocks;</i> <i>(b) valuation by methods other than that provided for in (a) which are designed to take account of inflation for the items shown in annual accounts, including capital and reserves;</i> <i>(c) revaluation of fixed assets.</i> Where national law provides for valuation methods as indicated in (a), (b) and (c), it must define their content and limits and the rules for their application.	7.1	By way of derogation from Article 6(1)(i) <i>[items recognised in the financial statements shall be measured in accordance with the principle of purchase price or production cost]</i> , Member States <b>may permit or require in respect of all undertakings or any classes of undertaking</b> the measurement of fixed assets at revalued amounts. Where national law provides for the revaluation basis of measurement, it shall define its content and limits and the rules for its application.	MS option reduced to revaluation only
Rules for the application of revaluation reserves for fixed assets	4 <sup>th</sup>	33.2(c)	The Member States <b>may lay down rules</b> governing the application of the revaluation reserve, provided that transfers to the profit and loss account from the revaluation reserve may be made only to the extent that the amounts transferred have been entered as charges in the profit and loss account or reflect increases in value which have been actually realized. These amounts must be disclosed separately in the profit and loss account. No part of the revaluation reserve may be distributed, either directly or indirectly, unless it represents gains actually realized.	7.2	The revaluation reserve shall be reduced where the amounts transferred to that reserve are no longer necessary for the implementation of the revaluation basis of accounting. The Member States <b>may lay down rules</b> governing the application of the revaluation reserve, provided that transfers to the profit and loss account from the revaluation reserve may be made only where the amounts transferred have been entered as an expense in the profit and loss account or reflect increases in value which have actually been realised. No part of the revaluation reserve may be distributed, either directly or indirectly, unless it represents a gain actually realised.	Remains
Valuation adjustments on the revalued amount	4 <sup>th</sup>	33.3	Value adjustments shall be calculated each year on the basis of the value adopted for the financial year in question, save that by way of derogation from Articles 4 and 22, the Member States <b>may permit or require</b> that only the amount of the value adjustments arising as a result of the application of the general rule laid down in Article 32 be shown under the relevant items in the layouts prescribed in Articles 23 to 26 and that the difference arising as a result of the valuation method adopted under this Article be shown separately in the layouts. Furthermore, Articles 34 to 42 shall apply mutatis mutandis.	7.3	Value adjustments shall be calculated each year on the basis of the revalued amount. However, by way of derogation from Articles 9 and 13, Member States <b>may permit or require</b> that only the amount of the value adjustments arising as a result of the purchase price or production cost measurement basis be shown under the relevant items in the layouts set out in Annexes V and VI and that the difference arising as a result of the measurement on a revaluation basis under this Article be shown separately in the layouts.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 8 - Alternative measurement basis of fair value</b>	
Valuation of financial instruments and other assets at fair value	4 <sup>th</sup>	42a.1	By way of derogation from Article 32 and subject to the conditions set out in paragraphs 2 to 4 of this Article, Member States <b>shall permit or require in respect of all companies or any classes of companies</b> valuation at fair value of financial instruments, including derivatives.	8.1	By way of derogation from point (i) of Article 6(1) and subject to the conditions set out in this Article: Member States <b>shall permit or require in respect of all undertakings or any classes of undertaking</b> the measurement of financial instruments, including derivative financial instruments, at fair value; and	Remains
			Such permission or requirement <b>may be restricted</b> to consolidated accounts as defined in Directive 83/349/EEC.	8.1(a)		
		42e	Member States <b>may permit or require in respect of all companies or any classes of company</b> the valuation of specified categories of assets other than financial instruments at amounts determined by reference to fair value. Such permission or requirement <b>may be restricted</b> to consolidated accounts as defined in Directive 83/349/EEC.	8.1	Such permission or requirement <b>may be restricted</b> to consolidated financial statements.	Remains
				Member States <b>may permit or require in respect of all undertakings or any classes of undertaking</b> the measurement of specified categories of assets other than financial instruments at amounts determined by reference to fair value.	8.1(b)	
Valuation of asset/liabilities qualifying as a hedge items in conformity with hedge accounting system	4 <sup>th</sup>	42a.5	By way of derogation from Article 32, Member States <b>may</b> in respect of any assets and liabilities which qualify as hedged items under a fair value hedge accounting system, or identified portions of such assets or liabilities, <b>permit</b> valuation at the specific amount required under that system.	8.5	By way of derogation from point (i) of Article 6(1) [ <i>items in the financial statements shall be measured in accordance with the principle of purchase price or production costs</i> ], Member States <b>may</b> in respect of any assets and liabilities which qualify as hedged items under a fair value hedge accounting system, or identified portions of such assets or liabilities, <b>permit</b> measurement at the specific amount required under that system.	Remains
Valuation of financial instruments in conformity with IAS	4 <sup>th</sup>	42a.5a	Member States <b>may</b> , in accordance with international accounting standards, <b>permit or require</b> valuation of financial instruments, together with the associated disclosure requirements which are provided for in international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament	8.6	By way of derogation from paragraphs 3 and 4, Member States <b>may permit or require</b> the recognition, measurement and disclosure of financial instruments in conformity with international accounting standards adopted in accordance with Regulation (EC) No 1606/2002.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Recognition of change in the value of financial asset available for sale	4 <sup>th</sup>	42c.2	Member States <b>may permit or require</b> a change in the value on an available for sale financial asset, other than a derivative financial instrument, to be included directly in equity, in the fair value reserve.	8.8	<p><i>Notwithstanding point (c) of Article 6(1), where a financial instrument is measured at fair value, a change in value shall be included in the profit and loss account, except in the following cases, where such a change shall be included directly in a fair value reserve:</i></p> <p>(a) <i>the instrument accounted for is a hedging instrument under a system of hedge accounting that allows some or all of the change in value not to be shown in the profit and loss account; or</i></p> <p>(b) <i>the change in value relates to an exchange difference arising on a monetary item that forms part of an undertaking's net investment in a foreign entity.</i></p> <p>Member States <b>may permit or require</b> a change in the value of an available for sale financial asset, other than a derivative financial instrument, to be included directly in a fair value reserve. That fair value reserve shall be adjusted when amounts shown therein are no longer necessary for the implementation of points (a) and (b) of the first subparagraph.</p>	Remains
Recognition of change in value of assets measured at fair value in profit and loss account	4 <sup>th</sup>	42f	<p>Notwithstanding Article 31(1)(c) <i>[valuation must be made on a prudent basis, and in particular:</i></p> <p>(aa) <i>only profits made at the balance sheet date may be included,</i></p> <p>(bb) <i>account must be taken of all liabilities arising in the course of the financial year concerned or of a previous one, even if such liabilities become apparent only between the date of the balance sheet and the date on which it is drawn up,</i></p> <p>(cc) <i>account must be taken of all depreciation, whether the result of the financial year is a loss or a profit.];</i></p> <p>Member States <b>may permit or require</b> in respect of all companies or any classes of company that, where an asset is valued at fair value, a change in the value is included in the profit and loss account.</p>	8.9	<p>Notwithstanding point (c) of Article 6(1) <i>[recognition and measurement shall be on a prudent basis, and in particular:</i></p> <p>(i) <i>only profits made at the balance sheet date may be recognised,</i></p> <p>(ii) <i>all liabilities arising in the course of the financial year concerned or in the course of a previous financial year shall be recognised, even if such liabilities become apparent only between the balance sheet date and the date on which the balance sheet is drawn up, and</i></p> <p>(iii) <i>all negative value adjustments shall be recognised, whether the result of the financial year is a profit or a loss].</i></p> <p>Member States <b>may permit or require</b> in respect of all undertakings or any classes of undertaking that, where assets other than financial instruments are measured at fair value, a change in the value shall be included in the profit and loss account.</p>	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
					<b>Article 9 - General provisions concerning the balance sheet and the profit and loss account</b>	
Subdivision and new items in the balance sheet and in the profit and loss	4 <sup>th</sup>	4.1	In the balance sheet and in the profit and loss account the items prescribed in Articles 9, 10 and 23 to 26 must be shown separately in the order indicated. A more detailed subdivision of the items shall be authorized provided that the layouts are complied with. New items may be added provided that their contents are not covered by any of the items prescribed by the layouts. Such subdivision or new items <b>may be required</b> by the Member States.	9.2	In the balance sheet and in the profit and loss account the items set out in Annexes III to VI shall be shown separately in the order indicated. Member States shall permit a more detailed subdivision of those items, subject to adherence to the prescribed layouts. Member States shall permit the addition of subtotals and of new items, provided that the contents of such new items are not covered by any of the items in the prescribed layouts. Member States <b>may require</b> such subdivision or new items or subtotals.	Remains
Adaptation of the format and terminology in the balance sheet and profit & loss	4 <sup>th</sup>	4.2	The layout, nomenclature and terminology of items in the balance sheet and profit and loss account that are preceded by Arabic numerals must be adapted where the special nature of an undertaking so requires. Such adaptations <b>may be required</b> by the Member States of undertakings forming part of a particular economic sector.	9.3	The layout, nomenclature and terminology of items in the balance sheet and profit and loss account that are preceded by Arabic numerals shall be adapted where the special nature of an undertaking so requires. Member States <b>may require</b> such adaptations for undertakings which form part of a particular economic sector.	Remains
Combination of immaterial item on the face of the balance sheet and profit & loss	4 <sup>th</sup>	4.3	The balance sheet and profit and loss account items that are preceded by Arabic numerals may be combined where: (a) they are immaterial in amount for the purposes of Article 2 (3); or (b) such combination makes for greater clarity, provided that the items so combined are dealt with separately in the notes on the accounts. Such combination <b>may be required</b> by the Member States.	9.3	Member States <b>may permit</b> that balance sheet and profit and loss account items that are preceded by Arabic numerals be combined where they are immaterial in amount for the purposes of giving a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss or where such combination makes for greater clarity, provided that the items so combined are dealt with separately in the notes to the financial statements.	It is presumed that the entity option becomes a MS option
Limitation of departing from the standard layout				9.4	By way of derogation, Member States <b>may limit</b> the undertaking's possibilities to depart from the standard layouts set out in Annexes III to VI to the extent that this is necessary for the financial statements to be filed electronically.	New

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Adjustment of non-comparable figures in the preceding year	4 <sup>th</sup>	4.4	In respect of each balance sheet and profit and loss account item the figure relating to the corresponding item for the preceding financial year must be shown. The Member States <b>may provide</b> that, where these figures are not comparable, the figure for the preceding financial year must be adjusted.	9.5	<i>In respect of each balance sheet and profit and loss account item the figure for the financial year to which the balance sheet and the profit and loss account relate and the figure relating to the corresponding item for the preceding financial year shall be shown.</i>  Where those figures are not comparable, the Member States <b>may require</b> the figure for the preceding financial year to be adjusted. Any case of non-comparability or any adjustment of the figures shall be disclosed, with explanations, in the notes to the financial statements.	Remains
Adaptation of layout of the balance sheet and the profit & loss to include appropriation of profit & loss	4 <sup>th</sup>	6	The Member States <b>may authorize or require</b> adaptation of the layout of the balance sheet and profit and loss account in order to include the appropriation of profit or the treatment of loss.	9.6	Member States <b>may permit or require</b> adaptation of the layout of the balance sheet and profit and loss account in order to include the appropriation of profit or the treatment of loss.	Remains
The use of equity method accounting	4 <sup>th</sup>	59.1	A Member State <b>may require or permit</b> that participating interests, as defined in Article 17, in the capital of undertakings over the operating and financial policies of which significant influence is exercised, be shown in the balance sheet in accordance with paragraphs 2 to 9 below [ <i>equity method accounting</i> ], as sub-items of the items 'shares in affiliated undertakings' or 'participating interests', as the case may be.	9.7 9.7(a)	In respect of the treatment of participating interests in annual financial statements:  Member States <b>may permit or require</b> participating interests to be accounted for using the equity method as provided for in Articles 27, taking account of the essential adjustments resulting from the particular characteristics of annual financial statements as compared to consolidated financial statements;	Remains
Restriction of use of equity accounting up to a limit of dividends received	4 <sup>th</sup>	59.6(c)	A Member State <b>may require or permit</b> that the proportion of the profit or loss attributable to the participating interests be shown in the profit-and- loss account only to the extent of the amount corresponding to dividends already received or the payment of which can be claimed.	9.7(b)	Member States <b>may permit or require</b> that the proportion of the profit or loss attributable to the participating interest be recognised in the profit and loss account only to the extent of the amount corresponding to dividends already received or the payment of which can be claimed;	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
First application of equity method	4 <sup>th</sup>	59.2	<p>When this Article is first applied to a participating interest covered by paragraph 1, it shall be shown in the balance sheet either:</p> <p>(a) at its book value calculated in accordance with Section 7 or 7a. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the participating interest shall be disclosed separately in the balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which the method is applied for the first time; or</p> <p>(b) at the amount corresponding to the proportion of the capital and reserves represented by the participating interest. The difference between that amount and the book value calculated in accordance with 7 or 7a shall be disclosed separately in the balance sheet or in the notes on the accounts. That difference shall be calculated as at the date as at which the method is applied for the first time.</p> <p>(c) A Member State <b>may prescribe</b> the application of one or other of the above paragraphs. The balance sheet or the notes on the account must indicate whether (a) or (b) above has been used.</p> <p>(d) In addition, when applying (a) and (b) above, a Member State <b>may require or permit</b> calculation of the difference as at the date of acquisition of the participating interest referred to in paragraph 1 or, where the acquisition took place in two or more stages, as at the date as at which the holding became a participating interest within the meaning of paragraph 1 above.</p>			Removed in respect of stand-alone undertakings but see article 27.2 of the 2013 Directive in respect of consolidated accounts
Initial revaluation of assets and liabilities under equity accounting	4 <sup>th</sup>	59.3	<p>Where the assets or liabilities of an undertaking in which a participating interest within the meaning of paragraph 1 above is held have been valued by methods other than those used by the company drawing up the annual accounts, they may, for the purpose of calculating the difference referred to in paragraph 2 (a) or (b) above, be revalued by the methods used by the company drawing up the annual accounts. Disclosure must be made in the notes on the accounts where such revaluation has not been carried out. A Member State <b>may require</b> such revaluation.</p>			Removed in respect of stand-alone undertakings but see article 27.3 of the 2013 Directive in respect of consolidated accounts

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

				<b>Article 10 - Presentation of the Balance Sheet</b>		
Layouts of the balance sheet	4 <sup>th</sup>	8	<p>For the presentation of the balance sheet, the Member States <b>shall prescribe one or both</b> of the layouts prescribed by Articles 9 and 10. If a Member State prescribes both, it <b>may allow</b> companies to choose between them.</p> <p>Member States <b>may permit or require</b> companies to adopt the presentation of the balance sheet set out in Article 10a as an alternative to the layouts otherwise prescribed or permitted</p>	10	For the presentation of the balance sheet, Member States <b>shall prescribe one or both</b> of the layouts set out in Annex III and IV. If a Member State prescribes both layouts, it shall permit undertakings to choose which of the prescribed layouts to adopt.	Remains
Prepayments and accrued income	4 <sup>th</sup>	18	Expenditure incurred during the financial year but relating to a subsequent financial year, together with any income which, though relating to the financial year in question, is not due until after its expiry must be shown under 'Prepayments and accrued income'. The Member States <b>may</b> , however, <b>provide</b> that such income shall be included in 'Debtors'. Where such income is material, it must be disclosed in the notes on the accounts.			Removed
Accruals and deferred income	4 <sup>th</sup>	21	Income receivable before the balance sheet date but relating to a subsequent financial year, together with any charges which, though relating to the financial year in question, will be paid only in the course of a subsequent financial year, must be shown under 'Accruals and deferred income'. The Member States <b>may</b> , however, <b>provide</b> that such charges shall be included in 'Creditors'. Where such charges are material, they must be disclosed in the notes on the accounts.			Removed
				<b>Article 11 - Alternative presentation of the balance sheet</b>		
Alternative presentation of the balance sheet	4 <sup>th</sup>	10a	Instead of the presentation of balance sheet items in accordance with Articles 9 and 10, Member States <b>may permit or require</b> companies, or certain classes of company, to present those items on the basis of a distinction between current and non-current items provided that the information given is at least equivalent to that otherwise required by Articles 9 and 10.	11	Member States <b>may permit or require</b> undertakings, or certain classes of undertaking, to present items on the basis of a distinction between current and non-current items in a different layout from that set-out in Annexes III and IV, provided that the information given is at least equivalent to that otherwise in accordance with Annexes III and IV.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 12 - Special provisions relating to certain balance sheet items</b>	
Value adjustment to financial fixed assets	4 <sup>th</sup>	35.1(c) (aa)	Value adjustments may be made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date.	12.6(a)	<i>Value adjustments to fixed assets shall be subject to the following:</i> (a) Member States <b>may permit or require</b> value adjustments to be made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date;	It is presumed that an entity option becomes a MS option
Capitalisation of borrowing interest in production cost	4 <sup>th</sup>	35.4  39.2	Interest on capital borrowed to finance the production of fixed assets may be included in the production costs to the extent that it relates to the period of production. In that event, the inclusion of such interest under 'Assets' must be disclosed in the notes on the accounts.  The definitions of purchase price and of production cost given in Article 35 (2) and (3) shall apply. The Member States <b>may also apply</b> Article 35 (4) [ <i>Interest on capital borrowed to finance the production of fixed assets may be included</i> ]. Distribution costs may not be included in production costs.	12.8	Member States <b>may permit or require</b> that interest on capital borrowed to finance the production of fixed or current assets are included within production costs to the extent that it relates to the period of production. Any application of this provision shall be disclosed in the notes to the financial statements.  <i>[note: this is not shown as linked on the Comparison Table as 4<sup>th</sup> Directive Article 39.2 does not, by itself, contain the relevant text for comparative purposes but rather the link to Article 35.4]</i>	It is presumed that an entity option becomes a MS option  Remains as above
Inventory valuation method (weighted average, FIFO, LIFO or similar method)	4 <sup>th</sup>	40.1	The Member States <b>may permit</b> the purchase price or production cost of stocks of goods of the same category and all fungible items including investments to be calculated either on the basis of weighted average prices or by the 'first in, first out' (FIFO) method, the 'last in, first out' (LIFO) method, or some similar method.	12.9	Member States <b>may permit</b> the purchase price or production cost of stocks of goods of the same category and all fungible items including investments to be calculated either on the basis of weighted average prices, on the basis of the 'first in, first out' (FIFO) method, the 'last in, first out' (LIFO) method, or a method reflecting generally accepted best practice.	Remains
Set off of value adjustments by investment companies	4 <sup>th</sup>	36	By way of derogation from Article 35 (1) (c) (cc), the Member States <b>may allow</b> investment companies within the meaning of Article 5 (2) to set off value adjustments to investments directly against 'Capital and reserves'. The amounts in question must be shown separately under 'Liabilities' in the balance sheet.			Removed
Accrued debt (repayable greater than amount received)	4 <sup>th</sup>	41.1	Where the amount repayable on account of any debt is greater than the amount received, the difference may be shown as an asset. It must be shown separately in the balance sheet or in the notes on the accounts.	12.10	Where the amount repayable on account of any debt is greater than the amount received, Member States <b>may permit or require</b> that the difference be shown as an asset. It shall be shown separately in the balance sheet or in the notes to the financial statements. The amount of that difference shall be written off by a reasonable amount each year and completely written off no later than at the time of repayment of the debt.	It is presumed that an entity option becomes a MS option



Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Creation of provisions intended to cover expenses	4 <sup>th</sup>	20.1  20.2	<i>Provisions are intended to cover liabilities the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which they will arise.</i>  The Member States <b>may</b> also <b>authorize</b> the creation of provisions intended to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which they will arise.	12.12	<i>Provisions shall cover liabilities the nature of which is clearly defined and which at the balance sheet date are either likely to be incurred, or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.</i>  The Member States <b>may</b> also <b>authorize</b> the creation of provisions intended to cover expenses the nature of which is clearly defined and which at the balance sheet date are either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which they will arise.	Remains
Valuation of current assets	4 <sup>th</sup>	39.1(c)	The Member States <b>may permit</b> exceptional value adjustments where, on the basis of a reasonable commercial assessment, these are necessary if the valuation of these items is not to be modified in the near future because of fluctuations in value. The amount of these value adjustments must be disclosed separately in the profit and loss account or in the notes on the accounts.			Removed
					<b>Article 13 - Presentation of the profit and loss account</b>	
Layout of the profit & loss	4 <sup>th</sup>	22	For the presentation of the profit and loss account, the Member States <b>shall prescribe one or more</b> of the layouts provided for in Articles 23 to 26. If a Member State prescribes more than one layout, it <b>may allow</b> companies to choose from among them.	13.1	For the presentation of the profit and loss account, the Member States <b>shall prescribe one or both</b> of the layouts provided for in Annexes V and VI. If a Member State prescribes both layouts, it <b>may permit</b> undertakings to choose which of the prescribed layout to adopt.	Number of option reduced from 4 to 2 layouts
Presentation of statement of performance	4 <sup>th</sup>	22	By way of derogation from Article 2(1), Member States <b>may permit or require</b> all companies, or any classes of company, to present a statement of their performance instead of the presentation of profit and loss items in accordance with Articles 23 to 26, provided that the information given is at least equivalent to that otherwise required by those Articles.	13.2	By way of derogation from Article 4(1), Member States <b>may permit or require</b> all undertakings, or any classes of undertaking, to present a statement of their performance instead of the presentation of profit and loss items in accordance with Annexes V and VI, provided that the information given is at least equivalent to that otherwise required by Annexes V and VI.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 14 - Simplifications for small and medium-sized undertakings</b>	
Abridged balance sheets for small undertakings	4 <sup>th</sup>	11	<p>The Member States <b>may permit</b> companies which on their balance sheet dates do not exceed the limits of two of the three following criteria:</p> <ul style="list-style-type: none"> <li>— <i>balance sheet total: EUR 4 400 000 ◀,</i></li> <li>— <i>net turnover: EUR 8 800 000 ◀,</i></li> <li>— <i>average number of employees during the financial year: 50 to draw up abridged balance sheets.</i></li> </ul>	14.1	<p>Member States <b>may permit</b> small undertakings to draw up abridged balance sheets showing only those items in Annexes III and IV preceded by letters and roman numerals, disclosing separately :</p> <ul style="list-style-type: none"> <li>(a) <i>the information required in brackets in D (II) under 'Assets' [Amounts becoming due and payable after more than one year must be shown separately for each item] and C under 'Capital, reserves and liabilities' of Annex III [Amounts becoming due and payable within one year and amounts becoming due and payable after more than one year], but in aggregate for each; or</i></li> <li>b) <i>the information required in brackets in D (II) of Annex IV [Amounts becoming due and payable after more than one year must be shown separately for each item].</i></li> </ul>	Remains
		11 para 2	<p>Member States <b>may waive</b> the application of Article 15 (3) (a) <i>[disclosure of classes of fixed assets]</i> and (4) <i>[disclosure of formation expenses]</i> to the abridged balance sheet.</p>			Removed

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Abridged profit and loss accounts for medium-sized undertakings	4 <sup>th</sup>	27	<p>The Member States <b>may permit</b> companies which on their balance sheet dates do not exceed the limits of two of the three following criteria:</p> <ul style="list-style-type: none"> <li>— balance sheet total: EUR 17 500 000,</li> <li>— net turnover: EUR 35 000 000 ,</li> <li>— average number of employees during the financial year: 250</li> </ul> <p>to adopt layouts different from those prescribed in Articles 23 to 26 within the following limits:</p> <p>(a) <i>in Article 23: 1 to 5 [net turnover; variation in stocks of finished goods and in work in progress; work performed by the undertaking for its own purposes and capitalised; other operating income; raw materials and consumables and other external expenses] inclusive may be combined under one item called 'Gross profit or loss';</i></p> <p>(b) <i>in Article 24: A (1 ) [reduction in stocks of finished goods and in work in progress], A (2) [raw materials and consumables; other external charges] and B (1) to B (4) [net turnover, increase in stocks of finished goods, work performed by the undertaking for its own purposes and capitalised; other operating income] inclusive may be combined under one item called 'Gross profit or loss';</i></p> <p>(c) <i>in Article 25: (1) [net turnover], (2) [cost of sales including value adjustments], (3) [gross profit or loss] and (6) [other operating income] may be combined under one item called 'Gross profit or loss';</i></p> <p>(d) <i>in Article 26, A (1) [cost of sales including value adjustments], B (1) [net turnover] and B (2)[other operating income] may be combined under one item called 'Gross profit or loss'.</i></p>	14.2	<p>Member States <b>may permit</b> small and medium-sized undertakings <i>[those undertakings which are not micro-undertakings or small undertakings and which on their balance sheet dates do not exceed the limits of at least two of the three following criteria:</i></p> <ul style="list-style-type: none"> <li>(a) <i>balance sheet total: EUR 20 000 000;</i></li> <li>(b) <i>net turnover: EUR 40 000 000;</i></li> <li>(c) <i>average number of employees during the financial year: 250.]</i> <p>to draw up abridged profit and loss accounts within the following limits:</p> <p>(a) <i>in Annex V, items 1 to 5 [net turnover; variation in stocks of finished goods and in work in progress; work performed by the undertaking for its own purposes and capitalised; other operating income; raw materials and consumables and other external expenses] may be combined under one item called 'Gross profit or loss';</i></p> <p>(b) <i>in Annex VI, items 1 [net turnover], 2 [cost of sales including value adjustments], 3 [gross profit or loss] and 6 [other operating income] may be combined under one item called 'Gross profit or loss'.</i></p> </li></ul>	Remains
Disclosure of taxes on ordinary activities and extraordinary items	4 <sup>th</sup>	30	<p>The Member States <b>may permit</b> taxes on the profit or loss on ordinary activities and taxes on the extraordinary profit or loss to be shown in total as one item in the profit and loss account before 'Other taxes not shown under the above items'. In that case, 'Profit or loss on ordinary activities after taxation' shall be omitted from the layouts prescribed in Articles 23 to 26.</p>			Removed

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 16 - Content of the notes to the financial statements relating to all undertakings</b>	
Additional disclosures for small undertakings				16.2	Member States <b>may require</b> mutatis mutandis that small undertakings shall disclose information as required in points (a) [ <i>fixed assets</i> ], (m) [ <i>name &amp; registered office of undertaking</i> ], (p) [ <i>off-balance sheet arrangements</i> ], (q) [ <i>post-balance sheet events</i> ] and (r) [ <i>related party transactions</i> ] of Article 17 (1).	New
					<b>Article 17 - Additional disclosures for medium-sized and large undertakings and public interest entities</b>	
Information on emoluments granted	4 <sup>th</sup>	43.1.(12)  43.3	<i>The amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of retirement pensions for former members of those bodies, with an indication of the total for each category;</i> Member States <b>may waive</b> the requirement to provide the information referred to in paragraph 1 point 12 where such information makes it possible to identify the position of a specific member of such a body.	17.1(d)	<i>the amount of the emoluments granted in respect of, the financial year to the members of administrative, managerial and supervisory bodies by reason of their responsibilities and any commitments arising or entered into in respect of retirement pensions of former members of those bodies, with an indication of the total for each category of body.</i>  Member States <b>may waive</b> the requirement to disclose such information where its disclosure would make it possible to identify the financial position of a specific member of such a body;	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Information on the name and registered office of each of the undertakings	4 <sup>th</sup>	43.1(2)	<i>The name and registered office of each of the undertakings in which the company, either itself or through a person acting in his own name but on the company's behalf, holds at least a percentage of the capital which the Member States <b>cannot fix at more than 20 %</b>, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which accounts have been adopted. This information may be omitted where for the purposes of Article 2 (3) it is of negligible importance only. The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet and less than 50 % of its capital is held (directly or indirectly) by the company; the name, the head or registered office and the legal form of each of the undertakings of which the company or firm is a member having unlimited liability.</i>	17.1(g)	<i>the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in his own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and it is not controlled by the undertaking.</i>	Remains (dealt with under 2.2 above)
		45.1	The Member States <b>may allow</b> the disclosures prescribed in Article 43 (1) (2): (i) to take the form of a statement deposited in accordance with Article 3 (1) and (2) of Directive 68/151/EEC; this must be disclosed in the notes on the accounts; (ii) to be omitted when their nature is such that they would be seriously prejudicial to any of the undertakings to which Article 43 (1) (2) relates. The Member States <b>may make such omissions subject</b> to prior administrative or judicial authorization. Any such omission must be disclosed in the notes on the accounts.		Member States <b>may allow</b> the information required to be disclosed by the first subparagraph of this point to take the form of a statement filed in accordance with Article 3(1) and (3) of Directive 2009/101/EC; the filing of such a statement shall be disclosed in the notes to the financial statements. Member States <b>may also allow</b> that information to be omitted when its nature is such that it would be seriously prejudicial to any of the undertakings to which it relates.  The Member States <b>may make such omissions subject</b> to prior administrative or judicial authorization. Any such omission shall be disclosed in the notes to the financial statements;	Remains  Remains
Registered office information for financial holding companies	4 <sup>th</sup>	43.2	Pending subsequent coordination, the Member States <b>need not apply</b> paragraph 1(2) [see above] to financial holding companies within the meaning of Article 5 (3).			Removed



Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Disclosure of information regarding participating interests in the consolidated accounts	4 <sup>th</sup>	61	<p>A Member State <b>need not apply</b> the provisions of point 2 of Article 43 (1) [<i>the disclosure of name, registered office, proportion of capital held, amount of capital and reserves and profit or loss for the latest financial year for all participating interests</i>] of this Directive concerning the amount of capital and reserves and profits and losses of the undertakings concerned to companies governed by their national laws which are parent undertakings for the purposes of Directive 83/349/EEC:</p> <p>(a) <i>where the undertakings concerned are included in consolidated accounts drawn up by that parent undertaking, or in the consolidated accounts of a larger body of undertakings as referred to in Article 7 (2) of Directive 83/349/EEC; or 1978L0660 — EN — 10.04.2012 — 010.001 — 48</i></p> <p>(b) <i>where the holdings in the undertakings concerned have been dealt with by the parent undertaking in its annual accounts in accordance with Article 59, or in the consolidated accounts drawn up by that parent undertaking in accordance with Article 33 of Directive 83/349/EEC.</i></p>	17.2	<p>Member States <b>shall not be required to apply</b> point (g) of paragraph 1 [<i>the disclosure of name, registered office, proportion of capital held, amount of capital and reserves and profit or loss for the latest financial year for all participating interests</i>] to an undertaking which is a parent undertaking governed by their national laws in the following cases:</p> <p>(a) <i>where the undertaking in which that parent undertaking holds a participating interest for the purposes of point (g) of paragraph 1 is included in consolidated financial statements drawn up by that parent undertaking, or in the consolidated financial statements of a larger body of undertakings as referred to in Article 23(4);</i></p> <p>(b) <i>where that participating interest has been dealt with by that parent undertaking in its annual financial statements in accordance with Article 9(7), or in the consolidated financial statements drawn up by that parent undertaking in accordance with Article 27(1) to (8).</i></p>	Remains but MS option expanded to include non-disclosure of name, registered office and proportion of capital held
Abridged Accounts	4 <sup>th</sup>	44.1	<p>Member States <b>may permit</b> the companies referred to in Article 11 [<i>“small companies”</i>] to draw up abridged notes on their accounts without the information required in Article 43(1)(5) to (12) [<i>convertible debentures, debts payable after more than 5 years, financial commitments, off-balance sheet transactions, related party transactions, turnover analysis, average number of employees, impact of deferred taxation, &amp; details of emoluments</i>], (14)(a) [<i>fair value of financial instruments</i>] and (15) [<i>audit fees</i>]. However, the notes must disclose the information specified in Article 43(1)(6) [<i>debts payable after more than 5 years</i>] in total for all the items concerned.</p>			Removed
Exemption of small companies in preparing certain notes to the accounts	4 <sup>th</sup>	44.2	<p>Member States <b>may also permit</b> the companies referred to in paragraph 1 [<i>“small companies”</i>] to be exempted from the obligation to disclose in the notes on their accounts the information prescribed in Article 15(3)(a) [<i>fixed assets</i>] and (4) [<i>formation expenses</i>], Articles 18 [<i>prepayments</i>], 21 [<i>deferred income</i>] and 29(2) [<i>extraordinary income and charges</i>], the second subparagraph of Article 30 [<i>taxes</i>], Article 34(2) [<i>“formation expenses-notes to the accounts”</i>], Article 40(2) [<i>valuation difference with change of basis of stock valuation</i>] and the second subparagraph of Article 42 [<i>“other provisions”</i>].</p>			Removed

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
					<b>Article 18 - Additional disclosures for large undertakings and public interest entities</b>	
Analysis of turnover by activity and geographical market	4 <sup>th</sup>	43.1.(8)	<i>the net turnover within the meaning of Article 28, broken down by categories of activity and into geographical markets in so far as, taking account of the manner in which the sale of products and the provision of services falling within the company's ordinary activities are organized, these categories and markets differ substantially from one another;</i>	18.1(a)  18.2	<i>the net turnover broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services are organised;</i>  Member States <b>may allow</b> the information referred to in point (a) of paragraph 1 to be omitted where the disclosure of that information would be seriously prejudicial to the undertaking. Member States <b>may make</b> such omissions subject to prior administrative or judicial authorisation. Any such omission shall be disclosed in the notes to the financial statements.	New
Reporting exemptions for medium sized undertakings	4 <sup>th</sup>	45.2	Paragraph 1(b) shall also apply to the information specified in Article 43(1) (8) <i>[turnover analysis]</i> . The Member States <b>may permit</b> the companies referred to in Article 27 <i>["medium sized companies"]</i> to omit disclosure of the information specified in Articles 34(2) <i>[formation expenses]</i> and 43(1)(8) <i>[breakdown of net turnover]</i> The Member States <b>may also permit</b> the companies referred to in Article 27 to omit disclosure of the information specified in Article 43(1)(15) <i>[audit fees]</i> , provided that such information is delivered to the public oversight system referred to in Article 32 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audit of annual accounts and consolidated accounts ( 1 ) when requested by such a public oversight system			Both removed – these disclosure requirement now only apply to large undertakings and public interest entities
Information on statutory audit, other assurance and tax advisory and other non-audit fees	4 <sup>th</sup>	43.1.(15)	<i>Separately, the total fees for the financial year charged by the statutory auditor or audit firm for the statutory audit of annual accounts, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services.</i>  Member States <b>may provide</b> that this requirement shall not apply where the company is included within the consolidated accounts required to be drawn up under Article 1 of Directive 83/349/EEC, provided that such information is given in the notes to the consolidated accounts.	18.1(b)  18.3	<i>the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements, and the total fees charged by each statutory auditor or audit firm for other assurance services, for tax advisory services and for other non-audit services.</i>  Member States <b>may provide</b> that point (b) of paragraph 1(b) is not to apply to the annual financial statements of an undertaking where that undertaking is included within the consolidated financial statements required to be drawn up under Article 22, provided that such information is given in the notes to the consolidated financial statements.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					Article 19 - Contents of the management report	
	4 <sup>th</sup>	46.1(a)	<p><b>Note:</b> an “annual report” shall include:</p> <p>.... at least a fair review of the development and performance of the company's business and of its position, together with a description of the principal risks and uncertainties that it faces.</p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the company's business and of its position, consistent with the size and complexity of the business;</p>	19.1.	<p><b>Note:</b> a “management report” shall include:</p> <p>.... a fair review of the development and performance of the undertaking's business and of its position, together with a description of the principal risks and uncertainties that it faces.</p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the undertaking's business and of its position, consistent with the size and complexity of the business.</p>	
		46.1(b)	<p>To the extent necessary for an understanding of the company's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters;</p>		<p>To the extent necessary for an understanding of the undertaking's development, performance or position, the analysis shall include both financial and, where appropriate, non- financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters. In providing the analysis, the management report shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.</p>	
		46.1(c)	<p>In providing its analysis, the annual report shall, where appropriate, include references to and additional explanations of amounts reported in the annual accounts.</p>			
		46.2	<p>The report shall also give an indication of:</p> <ul style="list-style-type: none"> <li>(a) any important events that have occurred since the end of the financial year;</li> <li>(b) the company's likely future development;</li> <li>(c) activities in the field of research and development;</li> <li>(d) the information concerning acquisitions of own shares prescribed;</li> <li>(e) the existence of branches of the company;</li> <li>(f) in relation to the company's use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss, <ul style="list-style-type: none"> <li>— the company's financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used, and</li> <li>— the company's exposure to price risk, credit risk, liquidity risk and cash flow risk.</li> </ul> </li> </ul>	19.2	<p>The management report shall also give an indication of:</p> <ul style="list-style-type: none"> <li>(a) the undertaking's likely future development;</li> <li>(b) activities in the field of research and development;</li> <li>(c) the information concerning acquisitions of own shares prescribed by Article 24(2) of Directive 2012/30/EU;</li> <li>(d) the existence of branches of the undertaking; and</li> <li>(e) in relation to the undertaking's use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss: <ul style="list-style-type: none"> <li>(i) the undertaking's financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used; and</li> <li>(ii) the undertaking's exposure to price risk, credit risk, liquidity risk and cash flow risk.</li> </ul> </li> </ul>	

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Exemption from preparation of management reports for small undertakings	4 <sup>th</sup>	46.3	Member States <b>may waive</b> the obligation on companies covered by Article 11 [ <i>small companies</i> ] to prepare annual reports, provided that the information referred to in Article 22 (2) of Directive 77/91/EEC concerning the acquisition by a company of its own shares is given in the notes to their accounts.	19.3	Member States <b>may exempt</b> small undertakings from the obligation to prepare management reports, provided that they require the information referred to in Article 24(2) of Directive 2012/30/EU concerning the acquisition by an undertaking of its own shares be given in the notes to the financial statements.	Remains
Obligation to prepare management reports for medium-sized undertakings	4 <sup>th</sup>	46.4	Member States <b>may choose to exempt</b> companies covered by Article 27 [ <i>medium sized companies</i> ] from the obligation in paragraph 1(b) [ <i>financial and non-financial key performance indexes including information relating to environmental and employee matters</i> ] above in so far as it relates to non-financial information.	19.4	Member States <b>may exempt</b> small and medium-sized undertakings from the obligation set out in the third subparagraph of paragraph 1 [ <i>financial and non-financial key performance indexes including information relating to environmental and employee matters</i> ] in so far as it relates to non-financial information.	Remains
					<b>Article 20 - Corporate governance statement</b>	
Publication of corporate governance statement	4 <sup>th</sup>	46a.2	Member States <b>may permit</b> the information required by this Article to be set out in a separate report published together with the annual report in the manner set out in Article 47 or by means of a reference in the annual report where such document is publicly available on the company's website. In the event of a separate report, the corporate governance statement may contain a reference to the annual report where the information required in paragraph 1, point (d) [ <i>information on takeover bids</i> ] is made available. Article 51(1), second subparagraph [ <i>The statutory auditors shall also express an opinion concerning the consistency or otherwise of the annual report with the annual accounts for the same financial year.</i> ] shall apply to the provisions of paragraph 1, points (c) [ <i>a description of the main features of the company's internal control and risk management systems in relation to the financial reporting process</i> ] and (d) [ <i>takeover bids</i> ] of this Article. For the remaining information, the statutory auditor shall check that the corporate governance statement has been produced.	20.2	Member States <b>may permit</b> the information required by paragraph 1 [ <i>Undertakings referred to in point (1)(a) of Article 2 shall include a corporate governance statement in their management report</i> ] of this Article to be set out in :  (a) A separate report published together with the management report in the manner set out in Article 30 [ <i>general publication requirements</i> ]; or  (b) A document publicly available on the undertaking's website, to which reference is made in the management report.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Exemption for undertakings only issued securities other than shares	4 <sup>th</sup>	46a.3	Member States <b>may exempt</b> companies which have only issued securities other than shares admitted to trading on a regulated market, within the meaning of Article 4(1), point (14) of Directive 2004/39/EC, from the application of the provisions of paragraph 1, points (a), (b), (e) and (f), unless such companies have issued shares which are traded in a multilateral trading facility, within the meaning of Article 4(1), point (15) of Directive 2004/39/EC.	20.4	Member States <b>may exempt</b> undertakings referred to in paragraph 1 which have only issued securities other than shares admitted to trading on a regulated market, within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC, from the application of points (a) <i>[details of corporate governance code]</i> , (b) <i>[reasons for departing from such a code]</i> , (e) <i>[description of the operation of shareholders' meetings]</i> and (f) <i>[composition and operation of supervisory bodies]</i> of paragraph 1 of this Article, unless such undertakings have issued shares which are traded in a multilateral trading facility, within the meaning of point (15) of Article 4(1) of Directive 2004/39/EC.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 22 - The requirement to prepare consolidated financial statements</b>	
Preparation of consolidated F/S for undertakings governed by the national law	7 <sup>th</sup>	1.1	<i>A Member State shall require any undertaking governed by its national law to draw up consolidated accounts and a consolidated annual report if that undertaking (a parent undertaking):</i>	22.1	<i>A Member State shall require any undertaking governed by its national law to draw up consolidated financial statements and a consolidated management report if that undertaking (a parent undertaking):</i>	Remains
		1.1(c)	<i>has the right to exercise a dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member, pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association, where the law governing that subsidiary undertaking permits its being subject to such contracts or provisions.</i>	22.1(c)	<i>has the right to exercise a dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member, pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association, where the law governing that subsidiary undertaking permits its being subject to such contracts or provisions.</i>	
		1.1(d)	<i>is a shareholder in or member of an undertaking, and:</i>	22.1(d)	<i>is a shareholder in or member of an undertaking, and:</i>	
		1.1(d)(bb)	controls alone, pursuant to an agreement with other shareholders in or members of that undertaking (a subsidiary undertaking), a majority of shareholders' or members' voting rights in that undertaking. The Member States <b>may introduce</b> more detailed provisions concerning the form and contents of such agreements.	22.1(d)(ii)	controls alone, pursuant to an agreement with other shareholders in or members of that undertaking (a subsidiary undertaking), a majority of shareholders' or members' voting rights in that undertaking. The Member States <b>may introduce</b> more detailed provisions concerning the form and contents of such agreements.	Remains
		1.1	The Member States <b>shall prescribe at least</b> the arrangements referred to in (bb) above. They <b>may make</b> the application of (aa) [ <i>a majority of management has been appointed by the exercise of voting rights</i> ] above dependent upon the holding's representing 20 % or more of the shareholders' or members' voting rights.	22.1	Member States <b>shall prescribe at least</b> the arrangements referred to in point (ii). They <b>may subject</b> the application of point (i) to the requirement that the voting rights represent at least 20 % of the total.	Remains Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Preparation of consolidated F/S for undertakings governed by the national law	7 <sup>th</sup>	1.2	<p>Apart from the cases mentioned in paragraph 1 the Member States <b>may require</b> any undertaking governed by their national law to draw up consolidated accounts and a consolidated annual report if:</p> <p>(a) <i>that undertaking (a parent undertaking) has the power to exercise, or actually exercises, dominant influence or control over another undertaking (the subsidiary undertaking); or</i></p> <p>(b) <i>that undertaking (a parent undertaking) and another undertaking (the subsidiary undertaking) are managed on a unified basis by the parent undertaking.</i></p>	22.2	<p>In addition to cases mentioned in paragraph 1, Member States <b>may require</b> any undertaking governed by their national law to draw up consolidated financial statements and a consolidated management report if:</p> <p>(a) <i>that undertaking (a parent undertaking) has the power to exercise, or actually exercises, dominant influence or control over another undertaking (the subsidiary undertaking); or</i></p> <p>(b) <i>that undertaking (a parent undertaking) and another undertaking (the subsidiary undertaking) are managed on a unified basis by the parent undertaking</i></p>	Remains
Preparation of consolidated F/S for undertakings governed by the national law	7 <sup>th</sup>	12.1	<p>Without prejudice to Articles 1 to 10, a Member State <b>may require</b> any undertaking governed by its national law to draw up consolidated accounts and a consolidated annual report if:</p> <p>(a) <i>that undertaking and one or more other undertakings with which it is not connected, as described in Article 1 (1) or (2), are managed on a unified basis pursuant to a contract concluded with that undertaking or provisions in the memorandum or articles of association of those undertakings; or</i></p> <p>(b) <i>the administrative, management or supervisory bodies of that undertaking and of one or more other undertakings with which it is not connected, as described in Article 1 (1) or (2), consist for the major part of the same persons in office during the financial year and until the consolidated accounts are drawn up.</i></p>	22.7	<p>Without prejudice to this Article and Articles 21 and 23, a Member State <b>may require</b> any undertaking governed by its national law to draw up consolidated financial statements and a consolidated management report if:</p> <p>(a) <i>that undertaking and one or more other undertakings to which it is not related as described in paragraphs 1 or 2 are managed on a unified basis in accordance with:</i></p> <p style="margin-left: 20px;"><i>(i) a contract concluded with that undertaking or</i></p> <p style="margin-left: 20px;"><i>(ii) the memorandum of articles of association of those other undertakings; or</i></p> <p>(b) <i>the administrative, management or supervisory bodies of that undertaking and of one or more other undertakings to which it is not related, as described in paragraphs 1 or 2 consist in the majority of the same persons in office during the financial year and until the consolidated financial statements are drawn up.</i></p>	Remains
					<b>Article 23 - Exemptions from consolidation</b>	
Exemption from consolidation for entity types not defined in the directive	7 <sup>th</sup>	4.2	<p>The Member States <b>may</b>, however, <b>grant exemption</b> from the obligation imposed in Article 1 (1) where the parent undertaking is not constituted as one of the types of company mentioned in Article 4 (1) of this Directive or in Article 1 (1), second or third subparagraph of Directive 78/660/EEC</p>			Removed

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Affiliated undertakings	7 <sup>th</sup>	41.1	<i>Undertakings which are connected as described in Article 1 (1) (a), (b) and (d) (bb), and those other undertakings which are similarly connected with one of the aforementioned undertakings, shall be affiliated undertakings for the purposes of this Directive and of Directive 78/660/EEC</i>			
		41.2	<i>Where a Member State prescribes the preparation of consolidated accounts pursuant to Article 1 (1) (c), (d) (aa) or (2) or Article 12 (1), the undertakings which are connected as described in those Articles and those other undertakings which are connected similarly, or are connected as described in paragraph 1 above to one of the aforementioned undertakings, shall be affiliated undertakings as defined in paragraph 1.</i>			
		41.3	Even where a Member State does not prescribe the preparation of consolidated accounts pursuant to Article 1 (1) (c) [ <i>dominant influence</i> ], (d) (aa) [ <i>majority of board appointed</i> ] or (2) or Article 12 (1) [ <i>managed on a unified basis or under common control</i> ], it <b>may apply</b> paragraph 2 of this Article.			Removed
		41.5	When a Member State applies Article 4 (2) [ <i>exemption from consolidation where company is not of prescribed type</i> ], it <b>may exclude</b> from the application of paragraph 1 above affiliated undertakings which are parent undertakings and which by virtue of their legal form are not required by that Member State to draw up consolidated accounts in accordance with the provisions of this Directive as well as parent undertakings with a similar legal form.			Removed

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Exemption from consolidation for financial holding companies	7 <sup>th</sup>	5.1	A Member State <b>may grant exemption</b> from the obligation imposed in Article 1 (1) where the parent undertaking is a financial holding company as defined in Article 5 (3) of Directive 78/660/EEC, and <i>list of requirements</i> ];			Removed
		5.2(b)	The disclosures in respect of such majority holdings provided for in point 2 of Article 43 (1) <i>[additional information required in the notes to the accounts]</i> of Directive 78/660/EEC may be omitted when their nature is such that they would be seriously prejudicial to the company, to its shareholders or members or to one of its subsidiaries. A Member State <b>may make</b> such omissions subject to prior administrative or judicial authorization. Any such omission must be disclosed in the notes on the accounts.			Removed
Exemptions from consolidation for medium-sized companies (except where they are PIEs)	7 <sup>th</sup>	6.1	1. Without prejudice to Articles 4 (2) and 5, a Member State <b>may provide for an exemption</b> from the obligation imposed in Article 1 (1) if as at the balance sheet date of a parent undertaking the undertakings to be consolidated do not together, on the basis of their latest annual accounts, exceed the limits of two of the three criteria laid down in Article 27 <i>[medium sized companies]</i> of Directive 78/660/EEC.	23.2	Member States <b>may exempt</b> medium-sized groups from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public - interest entity.	Remains
Conditions for exemption	7 <sup>th</sup>	7.2(bb)	<i>the consolidated accounts referred to in (a) above and the consolidated annual report referred to in (aa) above, the report by the person responsible for auditing those accounts and, where appropriate, the appendix referred to in Article 9 must be published for the exempted undertaking in the manner prescribed by the law of the Member State governing that undertaking in accordance with Article 38.</i>  That Member State <b>may require</b> that those documents be published in its official language and that the translation be certified;	23.4	(i) <i>the consolidated financial statements referred to in point (a) and the consolidated management report referred to in point (b),</i> (ii) <i>the audit report, and</i> (iii) <i>where appropriate, the appendix referred to in paragraph 6.</i>  That Member State <b>may require</b> that the documents referred to in points (i), (ii) and (iii) be published in its official language and that the translation be certified;	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Exemptions from consolidation for any parent undertaking	7 <sup>th</sup>	8	In cases not covered by Article 7 (1), a Member State <b>may</b> , without prejudice to Articles 4 (2), 5 and 6, <b>exempt</b> from the obligation imposed in Article 1 (1) any parent undertaking governed by its national law which is also a subsidiary undertaking, the parent undertaking of which is governed by the law of a Member State, provided that all the conditions set out in Article 7 (2) are fulfilled and that the shareholders in or members of the exempted undertaking who own a minimum proportion of the subscribed capital of that undertaking have not requested the preparation of consolidated accounts at least six months before the end of the financial year. The Member States <b>may fix</b> that proportion at not more than 10 % for public limited liability companies and for limited partnerships with share capital, and at not more than 20 % for undertakings of other types.	23.5	In cases not covered by paragraph 3 [ <i>parent holds 100% of a subsidiary</i> ], a Member State <b>may</b> , without prejudice to paragraphs 1, 2 and 3 of this Article , <b>exempt</b> from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless this public interest entity falls under Article 2 paragraph 1(a) [ <i>traded on a regulated market</i> ] the parent undertaking of which is governed by the law of a Member State,	Remains  Removed
Additional requirements for obtaining the exemptions	7 <sup>th</sup>	9.1	A Member State <b>may make</b> the exemptions provided for in Articles 7 and 8 <b>dependent</b> upon the disclosure of additional information, in accordance with this Directive, in the consolidated accounts referred to in Article 7 (2) (a), or in an appendix thereto, if that information is required of undertakings governed by the national law of that Member State which are obliged to prepare consolidated accounts and are in the same circumstances.	23.6	A Member State <b>may make</b> the exemptions provided for in paragraphs 3 and 5 <b>subject</b> to the disclosure of additional information, in accordance with this Directive, in the consolidated financial statements referred to in point (a) of paragraph 4, or in an appendix thereto, if that information is required of undertakings governed by the national law of that Member State which are obliged to prepare consolidated financial statements and are in the same circumstances.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Consolidation of a holding company that is itself a subsidiary	7 <sup>th</sup>	11.1	<p>Without prejudice to Articles 4 (2), 5 and 6, a Member State <b>may exempt</b> from the obligation imposed in Article 1 (1) any parent undertaking governed by its national law which is also a subsidiary undertaking of a parent undertaking not governed by the law of a Member State, if all of the following conditions are fulfilled:</p> <p><i>(a) the exempted undertaking and, without prejudice to Articles 13 and 15 all of its subsidiary undertakings must be consolidated in the accounts of a larger body of undertakings;</i></p> <p><i>(b) the consolidated accounts referred to in (a) above and, where appropriate, the consolidated annual report must be drawn up in accordance with this Directive or in a manner equivalent to consolidated accounts and consolidated annual reports drawn up in accordance with this Directive;</i></p> <p><i>(c) the consolidated accounts referred to in (a) above must have been audited by one or more persons authorized to audit accounts under the national law governing the undertaking which drew them up.</i></p>	23.8	<p>Without prejudice to paragraphs 1, 2, 3 and 5 of this Article, a Member State which provides for exemptions under paragraphs 3 and 5 of this Article <b>may also exempt</b> from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the parent undertaking of which is not governed by the law of a Member State, if all of the following conditions are fulfilled:</p> <p><i>(a) the exempted undertaking and, without prejudice to paragraph 9, all of its subsidiary undertakings are consolidated in the financial statements of a larger body of undertakings;</i></p> <p><i>(b) the consolidated financial statements referred to in point (a) and, where appropriate, the consolidated management report are drawn up:</i></p> <p><i>(i) in accordance with this Directive,</i></p> <p><i>(ii) in accordance with international accounting standards adopted pursuant to Regulation (EC) No 1606/2002,</i></p> <p><i>(iii) in a manner equivalent to consolidated financial statements and consolidated management reports drawn up in accordance with this Directive, or</i></p> <p><i>(iv) in a manner equivalent to international accounting standards as determined in accordance with Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council ( 1 );</i></p> <p><i>(c) the consolidated financial statements referred to in point (a) have been audited by one or more statutory auditor(s) or audit firm(s) authorised to audit financial statements under the national law governing the undertaking which drew up those statements.</i></p>	Remains
		11.3	<p>A Member State <b>may provide for exemptions</b> under this Article only if it provides for the same exemptions under Articles 7 to 10.</p>		Removed	

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Additional requirements for obtaining the exemptions	7 <sup>th</sup>	9.2	A Member State <b>may</b> also <b>make exemption</b> dependent upon the disclosure, in the notes on the consolidated accounts referred to in Article 7 (2) (a), or in the annual accounts of the exempted undertaking, of all or some of the following information regarding the body of undertakings, the parent undertaking of which it is exempting from the obligation to draw up consolidated accounts: — <i>the amount of the fixed assets,</i> — <i>the net turnover,</i> — <i>the profit or loss for the financial year and the amount of the capital and reserves,</i> — <i>the average number of persons employed during the financial year.</i>			Removed
Exemption for holding company holding shares in a joint venture	7 <sup>th</sup>	15	A Member State <b>may</b> , for the purposes of Article 16 (3), <b>permit the omission</b> from consolidated accounts of any parent undertaking not carrying on any industrial or commercial activity which holds shares in a subsidiary undertaking on the basis of a joint arrangement with one or more undertakings not included in the consolidated accounts.			Removed
					<b>Article 24 - The preparation of consolidated financial statements</b>	
Composition of consolidated accounts	7 <sup>th</sup>	16.1	<i>Consolidated accounts shall comprise the consolidated balance sheet, the consolidated profit-and-loss account and the notes on the Accounts. These documents shall constitute a composite whole.</i>  Member States <b>may permit or require</b> the inclusion of other statements in the consolidated accounts in addition to the documents referred to in the first subparagraph.			Removed in respect of consolidated accounts but see 4.1 for financial statements in general
True and fair override in respect of consolidated accounts	7 <sup>th</sup>	16.5	Where, in exceptional cases, the application of a provision of Articles 17 to 35 [ <i>detailed accounting and presentation rules</i> ] and 39 is incompatible with the obligation imposed in paragraph 3 [ <i>consolidated accounts to give a true and fair view</i> ] above, that provision must be departed from in order to give a true and fair view within the meaning of paragraph 3. Any such departure must be disclosed in the notes on the accounts together with an explanation of the reasons for it and a statement of its effect on the assets, liabilities, financial position and profit or loss. The Member States <b>may define</b> the exceptional cases in question and lay down the relevant special rules.			Removed in respect of consolidated accounts but see 4.4 for financial statements in general (including consolidated financial statements)

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Disclosure of additional information	7 <sup>th</sup>	16.6	A Member State <b>may require or permit</b> the disclosure in the consolidated accounts of other information as well as that which must be disclosed in accordance with this Directive.			Removed in respect of consolidated accounts but see 4.5 for financial statements in general
Treatment of stocks in the consolidated accounts	7 <sup>th</sup>	17.2	Where there are special circumstances which would entail undue expense a Member State <b>may permit</b> stocks to be combined in the consolidated accounts.			Removed
Set-off of shares' value in a consolidation	7 <sup>th</sup>	19.1	<i>The book values of shares in the capital of undertakings included in a consolidation shall be set off against the proportion which they represent of the capital and reserves of those undertakings:</i>	24.3	<i>The book values of shares in the capital of undertakings included in a consolidation shall be set off against the proportion which they represent of the capital and reserves of those undertakings in accordance with the following:</i>	Remains
		19.1(b)	A Member State <b>may require or permit</b> set-offs on the basis of the values of identifiable assets and liabilities as at the date of acquisition of the shares or, in the event of acquisition in two or more stages, as at the date on which the undertaking became a subsidiary.	24.3(b)	a Member State <b>may permit or require</b> set-offs on the basis of the values of identifiable assets and liabilities as at the date of acquisition of the shares or, in the event of acquisition in two or more stages, as at the date on which the undertaking became a subsidiary;	
Proportionate elimination of intercompany transactions	7 <sup>th</sup>	26.1	<i>Consolidated accounts shall show the assets, liabilities, financial positions and profits or losses of the undertakings included in a consolidation as if the latter were a single undertaking. In particular:</i>	24.7	<i>Consolidated financial statements shall show the assets, liabilities, financial positions, profits or losses of the undertakings included in a consolidation as if they were a single undertaking. In particular, the following shall be eliminated from the consolidated financial statements:</i> (a) <i>debts and claims between the undertakings;</i> (b) <i>income and expenditure relating to transactions between the undertakings; and</i> (c) <i>profits and losses resulting from transactions between the undertakings, where they are included in the book values of assets.</i>	Removed
		26.1(c)	Where profits and losses resulting from transactions between the undertakings included in a consolidation are included in the book values of assets, they shall be eliminated from the consolidated accounts. Pending subsequent coordination, however, a Member State <b>may allow the eliminations</b> mentioned above to be effected in proportion to the percentage of the capital held by the parent undertaking in each of the subsidiary undertakings included in the consolidation.			

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Elimination of intercompany transactions	7 <sup>th</sup>	26.2	A Member State <b>may permit derogations</b> from the provisions of paragraph 1 (c) above where a transaction has been concluded according to normal market conditions and where the elimination of the profit or loss would entail undue expense. Any such derogations must be disclosed and where the effect on the assets, liabilities, financial position and profit or loss of the undertakings, included in the consolidation, taken as a whole, is material, that fact must be disclosed in the notes on the consolidated accounts.			Removed
Drawing up consolidated F/S at a different date from that of annual F/S	7 <sup>th</sup>	27.1  27.2	<i>Consolidated accounts must be drawn up as at the same date as the annual accounts of the parent undertaking.</i>  A Member State <b>may</b> , however, <b>require or permit</b> consolidated accounts to be drawn up as at another date in order to take account of the balance sheet dates of the largest number or the most important of the undertakings included in the consolidation. Where use is made of this derogation that fact shall be disclosed in the note on the consolidated accounts together with the reasons therefor. In addition, account must be taken or disclosure made of important events concerning the assets and liabilities, the financial position or the profit or loss of an undertaking included in a consolidation which have occurred between that undertaking's balance sheet date and the consolidated balance sheet date.	24.8	<i>Consolidated financial statements shall be drawn up as at the same date as the annual financial statements of the parent undertaking.</i>  A Member State <b>may</b> , however, <b>permit or require</b> consolidated financial statements to be drawn up as at another date in order to take account of the balance sheet dates of the largest number or the most important of the undertakings included in the consolidation, provided that: (a) <i>that fact shall be disclosed in the notes to the consolidated financial statements and reasons given;</i> (b) <i>account shall be taken, or disclosure made, of important events concerning the assets and liabilities, the financial position and the profit or loss of an undertaking included in a consolidation which have occurred between that under-taking's balance sheet date and the consolidated balance sheet date; and</i> (c) <i>where an undertaking's balance sheet date precedes or follows the consolidated balance sheet date by more than three months, that undertaking shall be consolidated on the basis of interim financial statements drawn up as at the consolidated balance sheet date.</i>	Remains
Prior year adjustments where the composition of a group has changed significantly	7 <sup>th</sup>	28	If the composition of the undertakings included in a consolidation has changed significantly in the course of a financial year, the consolidated accounts must include information which makes the comparison of successive sets of consolidated accounts meaningful. Where such a change is a major one, a Member State <b>may require or permit</b> this obligation to be fulfilled by the preparation of an adjusted opening balance sheet and an adjusted profit-and-loss account.	24.9	If the composition of the undertakings included in a consolidation has changed significantly in the course of a financial year, the consolidated financial statements shall include information which makes the comparison of successive sets of consolidated financial statements meaningful. This obligation may be fulfilled by the preparation of an adjusted comparative balance sheet and an adjusted comparative profit and loss account.	Presumed that a former MS option is now an entity option

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Other measurement basis for drawing up consolidated F/S	7 <sup>th</sup>	29.2(a)	An undertaking which draws up consolidated accounts must apply the same methods of valuation as in its annual accounts. However, a Member State <b>may require or permit</b> the use in consolidated accounts of other methods of valuation in accordance with the abovementioned Articles of Directive 78/660/EEC.	24.11	An undertaking which draws up consolidated financial statements shall apply the same measurement bases as are applied in its annual financial statements. However, Member States <b>may permit or require</b> that other measurement bases in accordance with Chapter 2 be used in consolidated financial statements.	Remains
Elimination of value adjustments arising for tax purposes	7 <sup>th</sup>	29.5	Where assets to be included in consolidated accounts have been the subject of exceptional value adjustments solely for tax purposes, they shall be incorporated in the consolidated accounts only after those adjustments have been eliminated. A Member State <b>may</b> , however, <b>require or permit</b> that such assets be incorporated in the consolidated accounts without the elimination of the adjustments, provided that their amounts, together with the reasons for them, are disclosed in the notes on the consolidated accounts.	24.14	<i>Where assets included in consolidated financial statements have been the subject of value adjustments solely for tax purposes, they shall be incorporated in the consolidated financial statements only after those adjustments have been eliminated.</i>	Removed
Consolidation differences	7 <sup>th</sup>	30.2	A Member State <b>may permit</b> a positive consolidation difference to be immediately and clearly deducted from reserves.			Removed
Disclosure in the consolidated notes of emoluments	7 <sup>th</sup>	34.12	The amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies of the parent undertaking by reason of their responsibilities in the parent undertaking and its subsidiary undertakings, and any commitments arising or entered into under the same conditions in respect of retirement pensions for former members of those bodies, with an indication of the total for each category. A Member State <b>may require</b> that emoluments granted by reason of responsibilities assumed in undertakings linked as described in Article 32 <i>[joint undertakings]</i> or 33 <i>[significant control]</i> shall also be included with the information specified in the first sentence.	28(1)(c)	<i>in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.</i>	Removed

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Disclosure in the consolidated notes of advances and credits	7 <sup>th</sup>	34.13	The amount of advances and credits granted to the members of the administrative, managerial and supervisory bodies of the parent undertaking by that undertaking or by one of its subsidiary undertakings, with indications of the interest rates, main conditions and any amounts repaid, as well as commitments entered into on their behalf by way of guarantee of any kind with an indication of the total for each category. A Member State <b>may require</b> that advances and credits granted by undertakings linked as described in Article 32 [ <i>joint undertakings</i> ] or 33 [ <i>significant control</i> ] shall also be included with the information specified in the first sentence.			Removed
					<b>Article 25 - Business combinations within a group</b>	
Merger accounting	7 <sup>th</sup>	20.1	1. A Member State <b>may require or permit</b> the book values of shares held in the capital of an undertaking included in the consolidation to be set off against the corresponding percentage of capital only, provided that: <ul style="list-style-type: none"> <li>(a) <i>the shares held represent at least 90 % of the nominal value or, in the absence of a nominal value, of the accounting par value of the shares of that undertaking other than shares of the kind described in Article 29 (2) (a) of Directive 77/91 EEC (1);</i></li> <li>(b) <i>the proportion referred to in (a) above has been attained pursuant to an arrangement providing for the issue of shares by an undertaking included in the consolidation; and</i></li> <li>(c) <i>the arrangement referred to in (b) above did not include a cash payment exceeding 10 % of the nominal value or, in the absence of nominal value, of the accounting par value of the shares issued.</i></li> </ul>	25.1	A Member State <b>may permit or require</b> the book values of shares held in the capital of an undertaking included in the consolidation to be set off against the corresponding percentage of capital only, provided that the undertakings in the business combination are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.	Remains
					<b>Article 26 - Proportional consolidation</b>	
Proportional consolidation for a joint venture holding	7 <sup>th</sup>	32.1	Where an undertaking included in a consolidation manages another undertaking jointly with one or more undertakings not included in that consolidation, a Member State <b>may require or permit</b> the inclusion of that other undertaking in the consolidated accounts in proportion to the rights in its capital held by the undertaking included in the consolidation.	26.1	Where an undertaking included in a consolidation manages another undertaking jointly with one or more undertakings not included in that consolidation, Member States <b>may permit or require</b> the inclusion of that other undertaking in the consolidated financial statements in proportion to the rights in its capital held by the undertaking included in the consolidation.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 27 - Equity accounting of associated undertakings</b>	
The application of equity accounting applied for the first time	7 <sup>th</sup>	33.2	<p><i>When this Article is applied for the first time to a participating interest covered by paragraph 1 above, that participating interest shall be shown in the consolidated balance sheet either:</i></p> <p>(a) <i>at its book value calculated in accordance with the valuation rules laid down in Directive 78/660/EEC.</i></p> <p>(b) <i>at an amount corresponding to the proportion of the associated undertaking's capital and reserves represented by that participating interest.</i></p>	27.2	<p><i>When this Article is applied for the first time to an associated undertaking, that associated undertaking shall be shown in the consolidated balance sheet either:</i></p> <p>(a) <i>at its book value calculated in accordance with the valuation rules laid down in Chapters 2 and 3.</i></p> <p>(b) <i>at an amount corresponding to the proportion of the associated undertaking's capital and reserves represented by the participating interest in that associated undertaking.</i></p>	
		33.2(c)	A Member State <b>may prescribe</b> the application of one or other of (a) and (b) above. The consolidated balance sheet or the notes on the accounts must indicate whether (a) or (b) has been used.		A Member State <b>may prescribe</b> the application of one or other of (a) and (b) above. In such cases, the consolidated balance sheet or the notes to the consolidated financial statements shall indicate whether (a) or (b) has been used.	Remains
		33.2(d)	In addition, for the purposes of (a) and (b) above, a Member State <b>may require or permit</b> the calculation of the difference as at the date of acquisition of the shares or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.		In addition, for the purposes of (a) and (b) above, a Member State <b>may require or permit</b> the calculation of the difference as at the date of acquisition of the shares or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.	Remains
Revaluation of associated undertaking's assets and liabilities	7 <sup>th</sup>	33.3	Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article 29 (2), they may, for the purpose of calculating the difference referred to in paragraph 2 (a) or (b) above, be revalued by the methods used for consolidation. Where such revaluation has not been carried out that fact must be disclosed in the notes on the accounts. A Member State <b>may require</b> such revaluation.	27.3	Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article 24(11), they may, for the purpose of calculating the difference referred to in points (a) and (b) of paragraph 2, be revalued by the methods used for consolidation. Where such revaluation has not been carried out, that fact shall be disclosed in the notes to the consolidated financial statements. A Member State <b>may require</b> such revaluation.	

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
					<b>Article 28 - The notes to the consolidated financial statements</b>	
Disclosure of details of undertakings consolidated in the form of a statement	7 <sup>th</sup>	35.1	A Member State <b>may allow</b> the disclosures prescribed in Article 34 (2) [ <i>names and registered offices of consolidated undertakings</i> ], (3) [ <i>names and registered of undertakings included due to significant control</i> ], (4) [ <i>names and registered of undertakings proportionately consolidated</i> ] and (5) [ <i>names and registered of undertakings included under equity accounting</i> ]: (a) to take the form of a statement deposited in accordance with Article 3 (1) and (2) of Directive 68/151/EEC; this must be disclosed in the notes on the accounts; (b) to be omitted when their nature is such that they would be seriously prejudicial to any of the undertakings affected by these provisions. A Member State <b>may make</b> such omissions subject to prior administrative or judicial authorization. Any such omission must be disclosed in the notes on the accounts.	28.3	Member States <b>may allow</b> the information required by points (a) to (d) of paragraph 2 [ <i>names, registered office and holdings of undertakings consolidated either fully or proportionally</i> ] to take the form of a statement filed in accordance with Article 3(3) of Directive 2009/101/EC. The filing of such a statement shall be disclosed in the notes to the consolidated financial statements. Member States <b>may also allow</b> that information to be omitted when its nature is such that its disclosure would be seriously prejudicial to any of the undertakings to which it relates. Member States may make such omissions subject to prior administrative or judicial authorisation. Any such omission shall be disclosed in the notes to the consolidated financial statements.	Remains  Remains
					<b>Article 29 - Consolidated Management Report</b>	
Disclosure in consolidated management report of shares held in parent undertaking	7 <sup>th</sup>	36.2  36.2(d)	<i>In respect of those undertakings, the report shall also give an indication of:</i>  the number and nominal value or, in the absence of a nominal value, the accounting par value of all of the parent undertaking's shares held by that undertaking itself, by subsidiary undertakings of that undertaking or by a person acting in his own name but on behalf of those undertakings. A Member State <b>may require or permit</b> the disclosure of these particulars in the notes on the accounts;	29.2  29.2(a)	<i>The following adjustments to the information required by Articles 19 and 20 shall apply:</i>  in reporting details of own shares acquired, the consolidated management report shall indicate the number and nominal value or, in the absence of a nominal value, the accounting par value of all of the parent undertaking's shares held by EN L 182/46 Official Journal of the European Union 29.6.2013 that parent undertaking, by subsidiary undertakings of that parent undertaking or by a person acting in his own name but on behalf of any of those undertakings. A Member State <b>may permit</b> or require the disclosure of those particulars in the notes to the consolidated financial statements	Remains (if previously "permitted")
					<b>Article 30 - General publication requirement</b>	
Exemption from publishing management report	4 <sup>th</sup>	47.1	The laws of a Member State <b>may</b> , however, <b>permit</b> the annual report not to be published as stipulated above. It must be possible to obtain a copy of all or part of any such report upon request. The price of such a copy must not exceed its administrative cost.	30.1	Member States <b>may</b> , however, <b>exempt</b> undertakings from the obligation to publish the management report, where a copy of all or part of any such report can be easily obtained upon request at a price not exceeding its administrative cost.	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Exemption from publishing financial statements	4 <sup>th</sup>	47.1a	The Member State of a company or firm referred to in Article 1 (1), second and third subparagraphs (entity concerned) <b>may exempt</b> that entity from publishing its accounts in accordance with Article 3 of Directive 68/151/EEC, provided that those accounts are available to the public at its head office,	30.2	Member States <b>may exempt</b> an undertaking referred to in Annex II to which the coordination measures prescribed by this Directive apply by virtue of Article 1(1)(b) from publishing its financial statements in accordance with Article 3 of Directive 2009/101/EC, provided that those financial statements are available to the public at its head office, in the following cases:	Remains
					<b>Article 31 - Simplifications for small and medium-sized undertakings</b>	
Exemption for small undertakings in publishing profit and loss accounts and management reports	4 <sup>th</sup>	47.2	By way of derogation from paragraph 1, the Member States <b>may permit</b> the companies referred to in Article 11 to publish: (a) abridged balance sheets showing only those items preceded by letters and roman numerals. (b) abridged notes on their accounts in accordance with Article 44. In addition, the Member States <b>may relieve</b> such companies from the obligation to publish their profit and loss accounts and annual reports and the opinions of the persons responsible for auditing the accounts.	31.1	Member States <b>may exempt</b> small undertakings from the obligation to publish their profit and loss accounts and management reports.	Remains  Remains
Permit medium-sized undertakings to publish abridged balance sheet	4 <sup>th</sup>	47.3	The Member States <b>may permit</b> the companies mentioned in Article 27 [ <i>medium sized companies</i> ] to publish: (a) <i>abridged balance sheets showing only those items preceded by letters and roman numerals in Articles 9 and 10 disclosing separately, either in the balance sheet or in the notes on the accounts:[list of detailed requirements]</i> (b) <i>abridged notes on their accounts without the information required in Article 43 (1) (5), (6), (8), (10) and (11). However, the notes on the accounts must give the information specified in Article 43 (1) (6) in total for all the items concerned.</i>	31.2	Member States <b>may permit</b> medium-sized undertakings to publish: (a) <i>abridged balance sheets showing only those items preceded by letters and roman numerals in Annexes III and IV and disclosing separately, either in the balance sheet or in the notes to the financial statements: [list of detailed requirements]</i> (b) <i>abridged notes to their financial statements without the information required in points (f) and (j) of Article 17(1).</i>	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 34 - Auditing: General requirement</b>	
Audit requirement for small undertakings	4 <sup>th</sup>	51.1	<i>The annual accounts of companies shall be audited by one or more persons approved by Member States to carry out statutory audits on the basis of the Eighth Council Directive 84/253/EEC of 10 April 1984 on the approval of persons responsible for carrying out the statutory audits of accounting documents</i>	34.1	<i>Member States shall ensure that the financial statements of public -interest entities, medium-sized and large undertakings are audited by one or more statutory auditors or audit firms approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC.</i>	Remains, however opt-in option instead of opt-out option
		51.2	The Member States <b>may</b> relieve the companies referred to in Article 11[ <i>small companies</i> ] from the obligation imposed by paragraph 1.			
					<b>Article 35 - Amendment of Directive 2006/43/EC as regards the audit report</b>	
Exemption from disclosing auditor's signature				35.2	The report shall be signed and dated by the statutory auditor. Where an audit firm carries out the statutory audit, the audit report shall bear the signature of at least the statutory auditor(s) carrying out the statutory audit on behalf of the audit firm. In exceptional circumstances Member States <b>may</b> provide that such signature(s) need not be disclosed to the public if such disclosure could lead to an imminent and significant threat to the personal security of any person. In any case the name(s) of the person(s) involved shall be known to the relevant competent authorities.	New

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 36 - Exemptions for micro undertakings</b>	
Reporting and publishing exemptions for micro undertakings	4 <sup>th</sup>	1a.2	<p>Member States <b>may exempt</b> companies referred to in paragraph 1 [<i>“micro-entities”</i>] from any or all of the following obligations:</p> <p>(a) <i>the obligation to present ‘Prepayments and accrued income’ and ‘Accruals and deferred income’ in accordance with Articles 18 and 21;</i></p> <p>(b) where a Member State makes use of the option in point (a) of this paragraph, it <b>may permit</b> those companies, only in respect of other charges as referred to in point (b)(vi) of paragraph 3, to depart from Article 31(1)(d) with regard to the recognition of ‘Prepayments and accrued income’ and ‘Accruals and deferred income’, provided that this fact is disclosed in the notes on the accounts or, in accordance with point (c) of this paragraph, at the foot of the balance sheet;</p> <p>(c) <i>the obligation to draw up notes on the accounts in accordance with Articles 43 to 45, provided that the information required by Article 14 and point (13) of Article 43(1) of this Directive and Article 22(2) of Directive 77/91/EEC ( 1 ) is disclosed at the foot of the balance sheet;</i></p> <p>(d) <i>the obligation to prepare an annual report in accordance with Article 46 of this Directive, provided that the information required by Article 22(2) of Directive 77/91/EEC is disclosed in the notes on the accounts or, in accordance with point (c) of this paragraph, at the foot of the balance sheet;</i></p> <p>(e) <i>the obligation to publish annual accounts in accordance with Articles 47 to 50a, provided that the balance sheet information contained therein is duly filed, in accordance with national law, with at least one competent authority designated by the Member State concerned. Whenever the competent authority is not the central register, commercial register or companies register, as referred to in Article 3(1) of Directive 2009/101/EC(2), the competent authority is required to provide the register with the information filed.</i></p>	36.1	<p>Member States <b>may exempt</b> micro undertakings from any or all of the following obligations:</p> <p>(a) the obligation to present ‘Prepayments and accrued income’ and ‘Accruals and deferred income’. Where a Member State makes use of the option, it <b>may permit</b> those undertakings, only in respect of other charges as referred to in point (b)(vi) of paragraph 2, to depart from Article 6(1)(d) with regard to the recognition of ‘Prepayments and accrued income’ and ‘Accruals and deferred income’, provided that this fact is disclosed in the notes to the financial statements or, in accordance with point (b) of this paragraph, at the foot of the balance sheet;</p> <p>(b) <i>the obligation to draw up notes to the financial statements in accordance with Article 16, provided that the information required by (d) and (e) of Article 16(1) of this Directive and by Article 24(2) of Directive 2012/30/EU is disclosed at the foot of the balance sheet;</i></p> <p>(c) <i>the obligation to prepare a management report in accordance with Chapter 5, provided that the information required by Article 24(2) of Directive 2012/30/UE is disclosed in the notes to the financial statements or, in accordance with point (b) of this paragraph, at the foot of the balance sheet;</i></p> <p>(d) <i>the obligation to publish annual financial statements in accordance with Chapter 7 of this Directive, provided that the balance sheet information contained therein is duly filed, in accordance with national law, with at least one competent authority designated by the Member State concerned. Whenever the competent authority is not the central register, commercial register or companies register, as referred to in Article 3(1) of Directive 2009/101/EC, the competent authority is required to provide the register with the information filed.</i></p>	<p>Remains (but see note before 3.1 above)</p> <p>Remains</p>

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
Permission for micro undertakings to draw up abridged accounts	4 <sup>th</sup>	1.3	<p>Member States <b>may permit</b> companies referred to in paragraph 1 [<i>"micro companies"</i>]:</p> <p>(a) <i>to draw up only an abridged balance sheet showing separately at least those items preceded by letters in Articles 9 or 10, where applicable. In cases where point (a) of paragraph 2 applies, items E under 'Assets' and D under 'Liabilities' in Article 9 or items E and K in Article 10 shall be excluded from the balance sheet;</i></p> <p>(b) <i>to draw up only an abridged profit and loss account showing separately at least the following items, where applicable:</i></p> <ul style="list-style-type: none"> <li>(i) <i>net turnover;</i></li> <li>(ii) <i>other income;</i></li> <li>(iii) <i>cost of raw materials and consumables;</i></li> <li>(iv) <i>staff costs;</i></li> <li>(v) <i>value adjustments;</i></li> <li>(vi) <i>other charges;</i></li> <li>(vii) <i>tax;</i></li> <li>(viii) <i>profit or loss.</i></li> </ul>	36.2	<p>Member States <b>may permit</b> micro undertakings:</p> <p>(a) <i>to draw up only an abridged balance sheet showing separately at least those items preceded by letters in Annex III or IV, where applicable. In cases where point (a) of paragraph 1 applies, items E under 'Assets' and D under 'Liabilities' in Annex III or items E and K in Annex IV shall be excluded from the balance sheet;</i></p> <p>(b) <i>to draw up only an abridged profit and loss account showing separately at least the following items, where applicable:</i></p> <ul style="list-style-type: none"> <li>(i) <i>net turnover;</i></li> <li>(ii) <i>other income;</i></li> <li>(iii) <i>cost of raw materials and consumables;</i></li> <li>(iv) <i>staff costs;</i></li> <li>(v) <i>value adjustments;</i></li> <li>(vi) <i>other charges;</i></li> <li>(vii) <i>tax;</i></li> <li>(viii) <i>profit or loss.</i></li> </ul>	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 37- Exemption for subsidiary undertakings</b>	
Exemptions for reporting and auditing for subsidiary undertakings	4 <sup>th</sup>	57	<p>Notwithstanding the provisions of Directives 68/151/EEC and 77/91/EEC, a Member State <b>need not apply</b> the provisions of this Directive concerning the content, auditing and publication of annual accounts to companies governed by their national laws which are subsidiary undertakings, as defined in Directive 83/349/EEC, where the following conditions are fulfilled:</p> <p>(a) <i>the parent undertaking must be subject to the laws of a Member State;</i></p> <p>(b) <i>all shareholders or members of the subsidiary undertaking must have declared their agreement to the exemption from such obligation; this declaration must be made in respect of every financial year;</i></p> <p>(c) <i>the parent undertaking must have declared that it guarantees the commitments entered into by the subsidiary undertaking;</i></p> <p>(d) <i>the declarations referred to in (b) and (c) must be published by the subsidiary undertaking as laid down by the laws of the Member State in accordance with Article 3 of Directive 68/151/EEC;</i></p> <p>(e) <i>the subsidiary undertaking must be included in the consolidated accounts drawn up by the parent undertaking in accordance with Directive 83/349/EEC;</i></p> <p>(f) <i>the above exemption must be disclosed in the notes on the consolidated accounts drawn up by the parent undertaking;</i></p> <p>(g) <i>the consolidated accounts referred to in (e), the consolidated annual report, and the report by the person responsible for auditing those accounts must be published for the subsidiary undertaking as laid down by the laws of the Member State in accordance with Article 3 of Directive 68/151/EEC.'</i></p>	37	<p>Notwithstanding the provisions of Directives 2009/101/EC and 2012/30/EU, a Member State <b>shall not be required to apply</b> the provisions of this Directive concerning the content, auditing and publication of the annual financial statements and the management report to undertakings governed by their national laws which are subsidiary undertakings, where the following conditions are fulfilled:</p> <p>(1) <i>the parent undertaking is subject to the laws of a Member State;</i></p> <p>(2) <i>all shareholders or members of the subsidiary undertaking have, in respect of each financial year in which the exemption is applied, declared their agreement to the exemption from such obligation;</i></p> <p>(3) <i>the parent undertaking has declared that it guarantees the commitments entered into by the subsidiary undertaking;</i></p> <p>(4) <i>the declarations referred to in points (2) and (3) of this Article are published by the subsidiary undertaking as laid down by the laws of the Member State in accordance with Chapter 2 of Directive 20;</i></p> <p>(5) <i>the subsidiary undertaking is included in the consolidated financial statements drawn up by the parent undertaking in accordance with this Directive;</i></p> <p>(6) <i>the exemption is disclosed in the notes to the consolidated financial statements drawn up by the parent undertaking; and</i></p> <p>(7) <i>the consolidated financial statements referred to in point (5) of this Article, the consolidated management report, and the audit report are published for the subsidiary undertaking as laid down by the laws of the Member State in accordance with Chapter 2 of Directive 2009/101/EC.</i></p>	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 38 - Undertakings which are members having unlimited liability of other undertakings</b>	
Unlimited liability undertakings wholly owned by limited liability undertakings	4 <sup>th</sup>	57a.1	Member States <b>may require</b> the companies referred to in the first subparagraph of Article 1 (1) governed by their law, which are members having unlimited liability of any of the companies and firms listed in Article 1 (1), second and third subparagraphs (entity concerned), to draw up, have audited and publish, with their own accounts, the accounts of the entity concerned in conformity with the provisions of this Directive. In this case, the requirements of this Directive do not apply to the entity concerned.	38.1	Member States <b>may require</b> undertakings referred to in point (a) of Article 1(1) which are governed by their laws and which are members having unlimited liability of any undertaking referred to in point (b) of Article 1(1) ('the undertaking concerned'), to draw up, have audited and publish, with their own financial statements, the financial statements of the undertaking concerned in accordance with this Directive; in such case the requirements of this Directive shall not apply to the undertaking concerned.	Remains
Unlimited liability undertakings wholly owned by limited liability undertakings	4 <sup>th</sup>	57a.2	Member States <b>need not apply</b> the requirements of this Directive to the entity concerned where:  (a) <i>the accounts of this entity are drawn up, audited and published in conformity with the provisions of this Directive by a company which is a member having unlimited liability of the entity and is governed by the law of another Member State;</i> (b) <i>the entity concerned is included in consolidated accounts drawn up, audited and published in accordance with Directive 83/349/EEC by a member having unlimited liability or where the entity concerned is included in the consolidated accounts of a larger body of undertakings drawn up, audited and published in conformity with Council Directive 83/349/EEC by a parent undertaking governed by the law of a Member State. The exemption must be disclosed in the notes on the consolidated accounts.</i>	38.2	Member States <b>shall not be required to apply</b> the requirements of this Directive to the undertaking concerned where:  (a) <i>the financial statements of the undertaking concerned are drawn up, audited and published in accordance with the provisions of this Directive by an undertaking which:</i> <i>(i) is a member having unlimited liability of that undertaking concerned, and</i> <i>(ii) is governed by the laws of another Member State;</i> (b) <i>the undertaking concerned is included in consolidated financial statements drawn up, audited and published in accordance with this Directive by:</i> <i>(i) a member having unlimited liability, or</i> <i>(ii) where the undertaking concerned is included in the consolidated financial statements of a larger body of undertakings drawn up, audited and published in conformity with this Directive, a parent undertaking governed by the laws of a Member State. This exemption shall be disclosed in the notes to the consolidated financial statements.</i>	Remains

Subject	Dir.	Article	The 4 <sup>th</sup> and the 7 <sup>th</sup> Accounting Directives	Article	Directive 2013/34/EU of 26 June 2013	Option status
---------	------	---------	---	---------	--------------------------------------	---------------

					<b>Article 39 - Profit and loss account exemption for parent undertakings preparing consolidated financial statements</b>	
Reporting the profit and loss account of the parent undertaking	4 <sup>th</sup>	58	<p>A Member State <b>need not apply</b> the provisions of this Directive concerning the auditing and publication of the profit-and-loss account to companies governed by their national laws which are parent undertakings for the purposes of Directive 83/349/EEC where the following conditions are fulfilled:</p> <p>(a) <i>the parent undertaking must draw up consolidated accounts in accordance with Directive 83/349/EEC and be included in the consolidated accounts;</i></p> <p>(b) <i>the above exemption must be disclosed in the notes on the annual accounts of the parent undertaking;</i></p> <p>(c) <i>the above exemption must be disclosed in the notes on the consolidated accounts drawn up by the parent undertaking;</i></p> <p>(d) <i>the profit or loss of the parent company, determined in accordance with this Directive, must be shown in the balance sheet of the parent company.</i></p>	39	<p>A Member State <b>shall not be required to apply</b> the provisions of this Directive concerning the auditing and publication of the profit and loss account to undertakings governed by its national laws which are parent undertakings, provided that the following conditions are fulfilled:</p> <p>(1) <i>the parent undertaking draws up consolidated financial statements in accordance with this Directive and is included in those consolidated financial statements;</i></p> <p>(2) <i>the exemption is disclosed in the notes to the annual financial statements of the parent undertaking;</i></p> <p>(3) <i>the exemption is disclosed in the notes to the consolidated financial statements drawn up by the parent undertaking; and</i></p> <p>(4) <i>the profit or loss of the parent undertaking, determined in accordance with this Directive, is shown in its balance sheet.</i></p>	Remains
Valuation rules - treatment of fungible assets	4 <sup>th</sup>	38	<p>Tangible fixed assets, raw materials and consumables which are constantly being replaced and the overall value of which is of secondary importance to the undertaking <b>may be shown</b> under 'Assets' at a fixed quantity and value, if the quantity, value and composition thereof do not vary materially.</p>			Removed
Fair value accounting for investment companies	4 <sup>th</sup>	60	<p>Pending subsequent coordination, the Member States <b>may prescribe</b> that investments in which investment companies within the meaning of Article 5 (2) have invested their funds shall be valued on the basis of their fair value.</p> <p>In that case, the Member States <b>may also waive</b> the obligation on investment companies with variable capital to show separately the value adjustments referred to in Article 36 [<i>the set off of value adjustments to investments directly against 'Capital and reserves'</i>].</p>			Removed  Removed