

Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (Text with EEA relevance)

CHAPTER 1

SCOPE, DEFINITIONS AND CATEGORIES OF UNDERTAKINGS AND GROUPS

Article 3

Categories of undertakings and groups

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:

- a balance sheet total: EUR 350 000;
- b net turnover: EUR 700 000;
- c average number of employees during the financial year: 10.

2 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:

- a balance sheet total: EUR 4 000 000;
- b net turnover: EUR 8 000 000;
- c average number of employees during the financial year: 50.

Member States may define 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.

3 Medium-sized undertakings shall be 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:

- a balance sheet total: EUR 20 000 000;
- b net turnover: EUR 40 000 000;
- c average number of employees during the financial year: 250.

4 Large undertakings shall be undertakings which on their balance sheet dates exceed at least two of the three following criteria:

- a balance sheet total: EUR 20 000 000;
- b net turnover: EUR 40 000 000;
- c average number of employees during the financial year: 250.

5 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:

- a balance sheet total: EUR 4 000 000;

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- b net turnover: EUR 8 000 000;
- c average number of employees during the financial year: 50.

Member States may define 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.

6 Medium-sized groups shall be groups which are not small groups, which consist 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:

- a balance sheet total: EUR 20 000 000;
- b net turnover: EUR 40 000 000;
- c average number of employees during the financial year: 250.

7 Large groups shall be groups consisting of parent and subsidiary undertakings to be included in a consolidation and which, on a consolidated basis, exceed the limits of at least two of the three following criteria on the balance sheet date of the parent undertaking:

- a balance sheet total: EUR 20 000 000;
- b net turnover: EUR 40 000 000;
- c average number of employees during the financial year: 250.

8 Member States shall permit the set-off referred to in Article 24(3) and any elimination as a consequence of Article 24(7) 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 %.

9 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.

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 may be increased or decreased by not more than 5 % in order to produce round sum amounts in the national currencies.

10 Where, on its balance sheet date, an undertaking or a group exceeds or ceases to exceed the limits of two of the three criteria set out in paragraphs 1 to 7, that fact shall affect the application of the derogations provided for in this Directive only if it occurs in two consecutive financial years.

11 The balance sheet total referred to in paragraphs 1 to 7 of this Article shall consist of the total value of the assets in A to E under ‘Assets’ in the layout set out in Annex III or of the assets in A to E in the layout set out in Annex IV.

12 When calculating the thresholds in paragraphs 1 to 7, Member States may require the inclusion of income from other sources for undertakings for which ‘net turnover’ is not relevant. Member States may require parent undertakings to calculate their thresholds on a consolidated basis rather than on an individual basis. Member States may also require 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.

13 In order to adjust for the effects of inflation, the Commission shall at least every five years review and, where appropriate, amend, by means of delegated acts in accordance with

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Article 49, the thresholds referred to in paragraphs 1 to 7 of this Article, taking into account measures of inflation as published in the *Official Journal of the European Union*.