

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 1

Scope

1 The coordination measures prescribed by this Directive shall apply to the laws, regulations and administrative provisions of the Member States relating to the types of undertakings listed:

- a in Annex I;
- b in Annex II, where all of the direct or indirect members of the undertaking having otherwise unlimited liability in fact have limited liability by reason of those members being undertakings which are:
 - (i) of the types listed in Annex I; or
 - (ii) not governed by the law of a Member State but which have a legal form comparable to those listed in Annex I.

2 Member States shall inform the Commission within a reasonable period of time of changes in the types of undertakings in their national law that may affect the accuracy of Annex I or Annex II. In such a case, the Commission shall be empowered to adapt, by means of delegated acts in accordance with Article 49, the lists of undertakings contained in Annexes I and II.

Article 2

Definitions

For the purposes of this Directive, the following definitions shall apply:

- (1) 'public-interest entities' means undertakings within the scope of Article 1 which are:
 - (a) governed by the law of a Member State and whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments⁽¹⁾;
 - (b) credit institutions as defined in point (1) of Article 4 of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions⁽²⁾, other than those referred to in Article 2 of that Directive;

- (c) insurance undertakings within the meaning of Article 2(1) of Council Directive 91/674/EEC of 19 December 1991 on the annual accounts of insurance undertakings⁽³⁾; or
 - (d) designated by Member States as public-interest entities, for instance undertakings that are of significant public relevance because of the nature of their business, their size or the number of their employees;
- (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 fixed by the Member States which is lower than or equal to 20 %;
 - (3) 'related party' has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards⁽⁴⁾;
 - (4) 'fixed assets' means those assets which are intended for use on a continuing basis for the undertaking's activities;
 - (5) 'net turnover' means the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover;
 - (6) 'purchase price' means the price payable and any incidental expenses minus any incidental reductions in the cost of acquisition;
 - (7) 'production cost' means the purchase price of raw materials, consumables and other costs directly attributable to the item in question. Member States shall permit or require the inclusion of a reasonable proportion of 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;
 - (8) 'value adjustment' means the adjustments intended to take account of changes in the values of individual assets established at the balance sheet date, whether the change is final or not;
 - (9) 'parent undertaking' means an undertaking which controls one or more subsidiary undertakings;
 - (10) 'subsidiary undertaking' means an undertaking controlled by a parent undertaking, including any subsidiary undertaking of an ultimate parent undertaking;
 - (11) 'group' means a parent undertaking and all its subsidiary undertakings;
 - (12) 'affiliated undertakings' means any two or more undertakings within a group;
 - (13) 'associated undertaking' means an undertaking in which another undertaking has a participating interest, and over whose operating and financial policies that other undertaking exercises significant influence. An undertaking is presumed to exercise a significant influence over another undertaking where it has 20 % or more of the shareholders' or members' voting rights in that other undertaking;
 - (14) 'investment undertakings' means:

- (a) undertakings the sole object of which is to invest their funds in various securities, real property and other assets, with the sole aim of spreading investment risks and giving their shareholders the benefit of the results of the management of their assets,
 - (b) undertakings associated with investment undertakings with fixed capital, if the sole object of those associated undertakings is to acquire fully paid shares issued by those investment undertakings without prejudice to point (h) of Article 22(1) of Directive 2012/30/EU;
- (15) 'financial holding undertakings' means undertakings the sole object of which is to acquire holdings in other undertakings and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, without prejudice to their rights as shareholders;
- (16) 'material' means the status of information where its omission or misstatement could reasonably be expected to influence decisions that users make on the basis of the financial statements of the undertaking. The materiality of individual items shall be assessed in the context of other similar items.

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;
- 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 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*.

Status: This is the original version (as it was originally adopted).

- (1) OJ L 145, 30.4.2004, p. 1.
- (2) OJ L 177, 30.6.2006, p. 1.
- (3) OJ L 374, 31.12.1991, p. 7.
- (4) OJ L 243, 11.9.2002, p. 1.