



**COUNCIL OF
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REVISED ADDENDUM TO "I/A" ITEM NOTE

from: General Secretariat of the Council
to: COREPER/COUNCIL

Subject: Proposal for a Directive of the European Parliament and of the Council amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities (**second reading**)
– Approval of the European Parliament's amendments (LA + S)
Statements
COMMON GUIDELINES
Consultation deadline: 20.2.2012

Statement by Spain, France, Greece, Luxembourg and Italy

Spain, France, Greece, Luxembourg and Italy support the objective of reducing unnecessary administrative burdens for micro-entities in order to contribute to their development.

At the Competitiveness Council on 30 and 31 May 2011, these Member States supported the common position on the draft Directive regarding the development of a simplified accounting regime for micro-entities. Though they still have some concerns, they are not opposing the text on which agreement has been reached with the European Parliament, so that the draft Directive can be adopted, and they would reiterate that this agreement does not in any way set a precedent for future legislation and/or lighter regimes for micro-entities.

Spain, France, Greece, Luxembourg and Italy will, in particular, examine the recent proposals concerning the revision of the Fourth and Seventh Accounting Directives as well as any future initiatives aimed at establishing exemptions or simplified regimes for micro-entities, in the light of the following principles:

– their impact on the functioning of the internal market: harmonisation is in itself an element of simplification for enterprises and increases the fairness of transactions. This objective should not be affected; on the contrary, it must be pursued and reinforced. There should be no deharmonisation of the internal market.

– whether fundamental objectives such as respect for human health, preservation of the environment and respect for social rights are met.

– whether the principle of transparency, the principles of European accounting law and, more generally, the objectives of European financial legislation are met.

Statement by Germany

Germany supports the reduction of accounting and financial reporting requirements for micro-entities in order to reduce unnecessary administrative burdens.

Germany therefore supported the original proposal of the Commission. That proposal provided the Member States with the necessary options for providing exemptions and is consistent with the general efforts to reduce administrative burdens, which have been repeatedly expressed at the European level as well.

The current draft position of the Council will achieve considerable reduction of regulatory requirements for micro-entities in the area of accounting. However, Germany would have preferred to set the thresholds as high as in the Commission proposal. This would have given Member States the option to exempt more small companies. Furthermore, the current text no longer includes real possibilities for exemptions from the publication requirement, which would have substantially reduced administrative burdens. Nevertheless Germany agrees with the current package as it does not intend to obstruct the first step to reduce administrative burdens for micro-entities arising from accounting and financial reporting requirements. Germany will continue to advocate for a more ambitious reduction of administrative burdens.
