



EUROPEAN COMMISSION

Directorate-General for Financial Stability, Financial Services and Capital Markets Union

INVESTMENT AND COMPANY REPORTING

Accounting and financial reporting

Diese Unterlage enthält die vom DRSC-Mitarbeiterstab erfassten vorläufigen Antworten und Bemerkungen des IFRS-FA aus seiner 66. Sitzung vom 19. April 2018. Die Abstimmung dieser Inhalte mit dem IFRS-FA ist noch nicht erfolgt.

CONSULTATION DOCUMENT

FITNESS CHECK ON THE EU FRAMEWORK FOR PUBLIC REPORTING BY COMPANIES

36. Sitzung HGB-FA am 26.04.2018
36_02b_HGB-FA_Fitness-Check_Antw IFRS-FA

Disclaimer

This document is a working document of the Commission services for consultation and does not prejudice the final decision that the Commission may take.

The views reflected on this consultation paper provide an indication on the approach the Commission services may take but do not constitute a final policy position or a formal proposal by the European Commission.

You are invited to reply **by 21 July 2018** at the latest to the **online questionnaire** available on the following webpage:

http://ec.europa.eu/info/consultations/finance-2018-companies-public-reporting_en

Please note that in order to ensure a fair and transparent consultation process **responses should be made through the online questionnaire.**

This consultation follows the normal rules of the European Commission for public consultations. Responses will be published unless respondents indicate otherwise in the online questionnaire.

Responses authorised for publication will be published on the following webpage:
http://ec.europa.eu/info/consultations/finance-2018-companies-public-reporting_en#contributions

Should you have a problem completing this questionnaire or if you require particular assistance, please contact:

fisma-public-reporting-by-companies@ec.europa.eu

CONTENT OF THE CONSULTATION DOCUMENT

This consultation seeks stakeholder views on whether the EU framework for public reporting by companies is fit for purpose.

Considering the size of this public consultation please feel free to respond only to sections or questions of interest to you.

The questionnaire is structured as follows:

- ▶ Introduction
- ▶ Assessing the fitness of the EU public reporting framework overall (Section I; Questions 1- 7)
- ▶ The EU financial reporting framework applicable to all companies (Accounting Directive: companies with cross border activities, SMEs, and content of the information) (Section II; Questions 8- 18)
- ▶ The EU financial reporting framework for listed companies (IAS regulation, Transparency Directive) (Section III; Questions 19- 29)
- ▶ The EU financial reporting framework for banks and insurance companies (Sectoral Accounting Directives) (Section IV; Questions 30 - 39)
- ▶ Non-financial reporting framework (Non-Financial Reporting Directive, Country-by-Country Reporting for extractive and logging industries and integrated reporting) (Section V; Questions 40 - 56)
- ▶ The digitalisation challenge (Section VI; Questions 57- 66)
- ▶ Other comments
- ▶ Acronyms and Abbreviations

Introduction

Public reporting by companies¹ is based on a number of EU Directives, Regulations and Recommendations that were adopted at different points in time over the last 40 years. The current body of EU law (the "acquis") comprises a range of requirements applying to listed and non-listed companies, sector specific requirements (banks and insurers), as well as additional disclosure requirements applicable to listed companies. The initial Directive on annual accounts aimed at harmonising financial information to capital providers and for creditor protection. More recently, public reporting requirements have been expanded to non-financial reporting for a much broader audience.

The Commission is now conducting a comprehensive check of the fitness of the EU framework on public reporting by companies. The objectives of this fitness check are:

- 1) to assess whether the EU public reporting framework is overall still relevant for meeting the intended objectives, adds value at the European level, is effective, internally consistent, coherent with other EU policies, efficient and not unnecessarily burdensome;
- 2) to review specific aspects of the existing legislation as required by EU law²; and
- 3) to assess whether the EU public reporting framework is fit for new challenges (such as sustainability and digitalisation).

Throughout this consultation, certain concepts should be understood as follows:

- **Effectiveness** – whether an intended objective is met;
- **Relevance** – whether a requirement is necessary and appropriate for the intended objectives;
- **Efficiency** – whether the costs associated with the intervention are proportionate to the benefits it has generated;
- **Coherence** – whether requirements are consistent across the board;
- **Added value** – whether the EU level adds more benefits than would have been the case if the requirements were only introduced at the national level.

¹ For this consultation "companies" mean limited liability companies of the types listed in the accounting Directive, companies that have issued securities on an EU regulated market, and banks or insurance companies including cooperatives and mutual structures.

² According to legislation, a series of reviews will have to be performed by the Commission:

- A report on the implementation of Non-Financial Reporting Directive 2014/95/EU, addressing its scope, particularly as regards large non-listed undertakings, its effectiveness and the level of guidance and methods provided.
- A report on the situation of micro-undertakings having regard to the number of micro-companies and the reduction of administrative burdens resulting from the simplifications introduced in 2013.
- A report on the implementation and effectiveness of the Country-By-Country Reporting by extractive and logging industries, including examining the case for an extension of the Country-By-Country reporting to other sectors.
- A report on the 2013 Amendments to the Transparency Directive, considering the impact on small and medium-sized issuers and the application of sanctions.

The Commission published an action plan on financing sustainable growth that builds on the recommendations of the High Level Expert Group (HLEG) on sustainable finance. This fitness check on the EU framework for public reporting by companies is one of the actions announced in the Action plan. Several questions in this fitness check, in particular in the section on non-financial reporting, should be considered also in the context of the HLEG recommendations on sustainability.

The replies to this consultation will feed into a Staff Working Document on the fitness of the EU framework for public reporting by companies, to be published in 2019.

I. Assessing the fitness of the EU public reporting framework overall

Depending on its type, activity or situation, a company has a number of public reporting obligations under EU law. The current EU level public reporting framework considered for this consultation consists of the following:

- Publication of individual and consolidated financial statements in accordance with national GAAP (Generally Accepted Accounting Principles) by any limited liability company established in the EU. By virtue of the Accounting Directive [2013/34/EU](#) Member States must ensure that any company in their jurisdiction with a legal form that limits its liability must prepare financial statements and a management report. These shall be audited / checked by a statutory auditor and published in the relevant business register according to national law that is compliant with this Directive. For companies other than a public-interest entity (bank, insurance company or company with securities listed), EU requirements are proportionate to the company's size.
- Publication of consolidated financial statements in accordance with the International Financial Reporting Standard (IFRS)³ adopted by the EU and other specific items by any company established in the EU that has securities (e.g. shares, bonds) listed on an EU regulated market by virtue of the IAS Regulation [\(EC\) No 1606/2002](#), the Transparency Directive [2004/109/EC](#) and the Market Abuse Regulation (EU) [No 596/2014](#). The use of IFRS makes company accounts comparable within the single market and globally. Companies established in third countries may use their national standards (e.g. US GAAP) if these are accepted on the basis of EU equivalence decisions. The Transparency Directive (2004/109/EC) makes the issuers' activities more transparent, thanks to regular publication of yearly and half-yearly financial reports, as well as the publication of major changes in the holding of voting rights and ad hoc inside information which could affect the price of securities. Issuers have to file such information with the national Officially Appointed Mechanisms (OAMs).
- Publication of individual and consolidated financial statements in accordance with sectoral layouts and principles by any bank or insurance company in the EU by virtue of the Bank Accounting Directive [\(86/635/EEC\)](#) and the Insurance Accounting Directive [\(91/674/EEC\)](#). Unless they prepare IFRS financial statements, any bank or insurance company in the EU must publish financial statements in compliance with national accounting rules that are in line with these sectoral Accounting Directives. Specific sectoral rules provide for, inter alia, layouts (balance sheet and Profit and Loss Account) and accounting treatments for e.g. loans, repurchase agreements or technical provisions.
- Publication of non-financial information by any public-interest entity (bank, insurance company or listed company) with more than 500 employees by virtue of Directive [2014/95/EU](#). The information should be part of the management report, or published in a separate report. Non-binding guidance was issued in 2017 in order to assist companies – Commission Communication [C/2017/4234](#).

³ Previously known as IAS (international accounting standards).

- Publication of [country-by-country reports on payments to governments](#) by any large company that is active in extraction or logging by virtue of Chapter 10 of Accounting Directive [2013/34/EU](#) and Article 6 of Transparency Directive [2004/109/EC](#). This fosters transparency on payments to governments, including third country governments, made in relation to these activities.

The table below provides an overview of the different objectives of the current EU framework mapped to individual legal instruments in the field of public reporting by companies:

	MAIN OBJECTIVES	OPERATIONAL OBJECTIVES	EU LEGAL INSTRUMENTS ⁴				
			AD	IAS	TD	BAD	IAD
▶	Stakeholder protection	<ul style="list-style-type: none"> ❖ Shareholder protection ❖ Creditor protection ❖ Depositor protection ❖ Policy holder protection 	X X	X	X	X	X
▶	Internal market	Facilitate: <ul style="list-style-type: none"> ❖ Cross border investments ❖ Cross border establishment 	X X	X	X	X X	X X
▶	Integrated EU capital markets	Market efficiency: <ul style="list-style-type: none"> ❖ Access to capital ❖ Capital allocation ❖ Integrated securities market 	X	X X X	X X X		
▶	Financial stability	<ul style="list-style-type: none"> ❖ Public confidence in company reporting ❖ Trust in the resilience of specific sectors (banking and insurance) 	X	X	X	X	X
▶	Sustainability	<ul style="list-style-type: none"> ❖ Enhanced corporate responsibilities / accountability/ good corporate governance ❖ Empower stakeholders ❖ Foster globally sustainable activities ❖ Foster long term investments ❖ Fight corruption 	X X X X		X X		

Questions

Assessing the fitness of the EU Public Reporting Framework Overall

1. Do you think that the EU public reporting requirements for companies, taken as a whole, have been **effective** in achieving the intended objectives?

	1	2	3	4	5	Don't know
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⁴ Accounting Directive (AD); IAS regulation / IFRS (IAS); Transparency Directive (TD); Bank accounts Directive (BAD); Insurance Accounts Directives (IAD)

Ensuring stakeholder protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing the internal market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promoting integrated EU capital markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ensuring financial stability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promoting sustainability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Es besteht Unklarheit, wie die letzten drei Ziele in der Tabelle postuliert wurden, denn beim Richtlinienentwicklungsprozess wurden diese nicht als Ziele definiert. Ferner werden (nicht nur in Frage 1) Begriffe verwendet, die nicht definiert sind. Z.B. gibt es kein einheitliches Begriffsverständnis über „sustainable“. Werden hier nur umweltbezogenen Themen einbezogen, oder umfasst dies auch andere Aspekte wie z.B. Menschenrechte, Fairer Handel? Daher hat sich der FA an den auf S. 7 des Konsultationsdokuments genannten operational objectives bei der Auslegung der Begrifflichkeiten orientiert. Die Einschätzung erfolgt vor dem Hintergrund, dass die EU-Regelungen effektiv zur Erreichung der gesteckten Ziele sind.

2. Do you think that the EU public reporting requirements for companies, taken as a whole, are **relevant** (necessary and appropriate) for achieving the intended objectives?

	1	2	3	4	5	Don't know
Ensuring stakeholder protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Developing the internal market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promoting integrated EU capital markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ensuring financial stability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promoting sustainability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5=totally agree)

Please explain your response and substantiate it with evidence or concrete examples of any requirement that you think is not relevant.

keine weiteren Ausführungen

3. Companies would normally maintain and prepare a level of information that is fit for their own purposes, in a "business as usual situation". Legislation and standards tend to frame this information up to a more demanding level.

	1	2	3	4	5	Don't know
With regards to the objectives pursued, do you think that the EU legislation and standards on public reporting are efficient (i.e. costs are proportionate to the benefits generated)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Der FA vertritt die Auffassung, dass die EU-Vorschriften zwar effektiv und relevant zur Erreichung der Ziele sind, jedoch dies mit geringerem Aufwand/Kosten erreicht werden könnte. Bspw. gibt es unabgestimmte Anforderungen [insbesondere zw. Level 1 und Level 2-Vorschriften], sich widersprechende Anforderungen (z.B. für Zahlungsmittelberichte gibt es in der TransparenzRL Erleichterungen, die durch die BilanzRL aufgehoben werden bzw. Overruling von EU-Vorgaben durch Aufsichtsbehörden). Allerdings sind die Level-2 Vorschriften nicht Gegenstand der Konsultation.

4. If you are a preparer company, could you please indicate the **annual recurring costs** (in € and in relation to the total operational cost) incurred for the preparation, audit (if any) and publication of mandatory public reporting:

Total amount in Euros	Amount as a % of total operating costs
€ %

Das DRSC ist kein Ersteller → keine Beantwortung

Coherence

As a preparer, user, or person with interest in financial reporting, you may have noticed possible incoherence due to overlaps, repetitions, redundant items, loopholes or inconsistencies in relation with the preparation, publication, access to or use of public reporting by companies.

5. Do you agree that the intrinsic coherence of the EU public reporting framework is fine, having regard to each component of that reporting?

	1	2	3	4	5	Don't know
Financial statements (preparation, audit and publication)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management report (preparation, consistency check by a statutory auditor, publication) Please do not consider corporate governance statement or non-financial information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Non-financial information (preparation, auditor's check and publication)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Country-by-country reporting by extractive / logging industries (preparation, publication)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Es wird zugestanden, dass in Bezug auf die Abweichungen kein einheitliches Meinungsbild besteht. Einerseits werden Abweichungen aufgrund nationaler Spezifika als sachgerecht angesehen, andererseits besteht auch der Wunsch nach stärkerer Harmonisierung.

6. Depending on circumstances, a company may have public reporting obligations on top of those being examined here. Such legislation may have been developed at the EU⁵, national

⁵ For example, under the Shareholders' Rights Directive 2007/36/EC, companies must publicly announce material transactions with related parties, establish remuneration policy and draw up a remuneration report for the attention of the shareholders, etc. Under the Directive on Capital Requirements for banks (2013/36/EU, Art. 96) banks must maintain a website explaining how they comply with corporate governance requirements, country by country reporting and remuneration requirements. The Solvency II Directive (2009/138/EC) requires Insurance and reinsurance undertakings to publish their Solvency and Financial Condition Report. A prospectus, regulated by the Prospectus Directive (2003/71/EC) and Regulation ((EU) 2017/1129) is a legal

or regional level. Should you have views on the interplay of these additional reporting obligations with the policies examined in this consultation, please comment below and substantiate it with evidence or concrete examples.

Wie in Frage 3 schon kritisiert, verursachen unabgestimmte Anforderungen bzw. sich widersprechende Anforderungen Probleme. Dies betrifft sowohl das Zusammenwirken von Level 1- Level 2-Vorschriften als auch Vorschriften, die aus unterschiedlichen Bereichen stammen, jedoch Bereitstellung der gleichen Information verlangen, wie z.B. Lagebericht und Solvency and Financial Condition Report (in beiden soll die wirtschaftliche Lage der Versicherung beschrieben werden).

7. Do you think that, for each respective objective, the EU is the right level to design policies in order to obtain **valuable results**, compared to unilateral and non-coordinated action by each Member State?

	1	2	3	4	5	Don't know
Ensuring stakeholder protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Developing the internal market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Promoting integrated EU capital markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ensuring financial stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promoting sustainability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Individuelle Lösungen zur Erreichung der Ziele auf Mitgliedstaaten-Ebene sind grundsätzlich wenig hilfreich. Die Ziele Finanzmarktstabilität und Nachhaltigkeit sind globale Ziele, deren Erreichung durch globale Lösungen angegangen werden sollte. EU-Regelungen sind daher nur bedingt geeignet.

document that describes a company's main line of business, its finances and shareholding structure. As regards Market Abuse Directive and Regulation, see specific questions further down.

II. The financial reporting framework applicable to all EU companies

The financial reporting framework for any EU company is broadly shaped by the Accounting Directive. Member States' accounting laws, regulations and standards for the preparation of annual accounts (national GAAP) must incorporate the provisions of the Accounting Directive. The Accounting Directive includes financial statements (balance sheet, profit or loss statement, and notes to the accounts) as well as a management report, depending on the size of the company. Several Member States allow or require the use of IFRS instead of national GAAP for the preparation of annual financial statements. But even when a company prepares financial statements using IFRS, many requirements from the Accounting Directive still apply such as the management report, statutory audit or publication⁶.

Companies operating cross-border

Companies often structure their cross-border business activities within the EU by establishing local entities in a host Member State controlled by a parent established in the home Member State. Together they form a group of controlled entities. Even though a group usually acts and is seen as a single economic entity, EU law does not recognise the legal personality of a group. Nevertheless, EU law addresses certain specific group situations, for instance, by requiring the preparation of consolidated financial statements as if the group were a single entity⁷, structuring bankruptcy⁸ or implementing sectoral regulatory supervision⁹.

When doing cross border business, a group usually faces a variety of business, tax and legal environments. These differences tend to hinder the application of consistent policies and procedures within a group and weaken the comparability of financial statements for users.

Some of these differences arise from options or lacunas in the Accounting Directive or the way in which Member States have complemented the minimum European accounting requirements. For example, the Accounting Directive does not address some economically important transactions such as lease contracts, foreign currency transactions, government grants, cash flows statements, income recognition or deferred taxes. These lacunas are addressed by each Member States in their own way.

More recently the Commission has proposed to harmonise the basis for the taxation of corporate profits for certain groups by ways of a proposal for a Directive on a Common Corporate Tax Base (CTB) ([COM\(2016\)685 final](#)). It also seeks to organise the free flow of non-personal data by ways of a proposal for a Regulation on a framework for the free flow of non-personal data in the European Union ([COM\(2017\)495](#)), which would legally enable centralised storage and processing of the group's non-personal data by removing unjustified data localisation restrictions within the EU.

⁶ For further details, see the guidance on Interaction between IFRS reporting and other EU accounting rules available here: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/implementation/guidance-implementation-and-interpretation-law_en

⁷ Accounting Directive 2013/34/EU, IAS Regulation (EC) No 1606/2002

⁸ Regulation (EU) 2015/848 on insolvency proceedings

⁹ Capital Requirement Directive and Regulation (banks), Solvency Directive (Insurance).

Questions

8. In your view, to what extent do the addition of, and differences in, national reporting rules hinder the ability of companies to do cross border business within the EU single market?
- Differences seriously hinder the ability to do business within the EU
 - Differences hinder to some extent
 - Differences do not hinder the ability to do business within the EU / are not significant
 - Don't know

Die (unterschiedlichen) nationalen GAAPs sind u.E. nicht entscheidend für die Frage, ob Unternehmen ihr Geschäft grenzüberschreitend betreiben oder nicht. Es gibt andere, relevantere Themen, die Unternehmen davon abhalten können (z.B. steuerliche Regeln).

9. To what extent to you think that the following differences, because they affect public reporting by companies, are significant impediments to cross-border establishment in the EU?

	1	2	3	4	5	Don't know
Areas covered by EU requirements						
Differences and lacunas in accounting standards or principles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences in corporate governance standards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences and overlaps arising from the presentation of the financial statements (balance sheet, etc.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences arising from publication rules / filing with business registers (publication deadlines, publication channels, specifications)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences arising from audit requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences arising from dividends distribution rules or capital maintenance rules	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Areas not covered by EU requirements						
Differences arising from specific bookkeeping requirements such as charts of accounts, audit trail requirements, data storage and accessibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences arising from language requirements (Bookkeeping documentation, publication of financial statements)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences arising from the determination of taxable profit	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences arising from digital filing requirements (for instance taxonomies used)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differences arising from software specifications	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify).....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Wie in Frage 8 dargelegt, werden Berichterstattungsvorschriften nicht als wesentliches Entscheidungskriterium für grenzüberschreitende Geschäfte (inkl. ausländischer Tochterunternehmen, Niederlassungen) angesehen. Daher sieht der IFRS-FA die bestehenden EU-Vorschriften als kein wesentliches Hindernis für grenzüberschreitende Geschäfte an. Die genannten Bereiche, die nicht durch bestehende EU-Vorschriften geregelt sind, werden leicht anders beurteilt; insbesondere die Steuern.

Please explain your response and substantiate it with evidence or concrete examples.

10. How do you evaluate the impact of any hindrances to cross border business on costs relating to public reporting by companies?

- The impact of hindrances on costs are negligible or not significant
- The impact of hindrances on costs are somehow significant
- The impact of hindrances on costs are very significant
- Don't know

IFRS-FA bittet HGB-FA um Beantwortung; sieht selbst kein Problem.

11. On top of differences in national accounting rules, national tax laws will usually require the submission of a tax return in compliance with self-standing national tax rules, adding another layer of reporting standard.

	1	2	3	4	5	Don't know
Once a Common Corporate Tax Base is adopted at the EU level, would you consider that the profit before tax reported in the Profit or Loss statement and the determination of the taxable profit should be further aligned across EU Member States?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Die Frage ist nicht klar gestellt. Für die Antwort interpretiert der IFRS-FA die Frage so, dass die handelsrechtliche Gewinnermittlung an die steuerliche Gewinnermittlung angeglichen werden soll. Zunächst erscheint der Gedanke nicht abwegig, da hiermit eine Ebene der Berichterstattung abgebaut werden könnte, was grundsätzlich zu befürworten wäre. Allerdings verfolgen die steuerliche und die handelsrechtliche Gewinnermittlung unterschiedliche Ziele, was aus unserer Sicht auch sachgerecht ist. Daher ist eine Angleichung abzulehnen.

12. As regards the preparation of consolidated and individual financial statements how do you assess the ability of the following approaches to reduce barriers to doing business cross-borders?

	1	2	3	4	5	Don't know
The EU should reduce the variability of standards from one Member State to another through more converged national GAAPs, possibly by removing options currently available in the EU accounting legislation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The EU should reduce the variability of standards from one Member State to another by converging national GAAPs on the basis of a European Conceptual Framework	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The EU should reduce the variability of standards from one Member State to another by converging national GAAPs and in addition by addressing current lacunas in	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

the Accounting Directive (leases, deferred taxes, etc.)						
The EU should reduce the variability of standards from one Member State to another by establishing a "pan-EU GAAP" available to any company that belongs to a group. Such "pan-EU GAAP" may be the IFRS, IFRS for SMEs, or another standard commonly agreed at the EU level.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do nothing (status quo)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Verweis auf die Beantwortung Frage 8. Die (unterschiedlichen) nationalen GAAPs sind u.E. nicht entscheidend für die Frage, ob Unternehmen ihr Geschäft grenzüberschreitend (inkl. ausländischer Tochterunternehmen, Niederlassungen) betreiben. Für einige Unterschiede mag es sogar sachlogische Gründe geben, z.B. die Verbindung der handelsrechtlichen Bilanzierung mit der Unternehmensbesteuerung. Bei der Beantwortung der Frage wurden die Vorteile einer Vereinheitlichung der Prozesse in international aufgestellten Unternehmen (z.B. bei der Erstellung von Konzernabschlüssen) ausgeklammert. Bitte an HGB-FA um Meinungsbildung dazu.

13. As regards the publication of individual financial statements, the Accounting Directive (Article 37) allows any Member State to exempt the subsidiaries of a group from the **publication of their individual financial statements** if certain conditions are met (inter alia, the parent must declare that it guarantees the commitments of the subsidiary). Would you see a need for the extension of such exemption from a Member State option to an EU wide company option?

- Yes
- No
- Don't know

Please explain your response and substantiate it with evidence or concrete examples.

Die Regelung erscheint sinnvoll und sollte daher nicht geändert werden.

SMEs

Since 2016, EU law requires small companies to prepare and publish **only** a balance sheet, a profit or loss statement and a few notes, thanks to the harmonisation agreed at the EU level. Each Member State may fine-tune this regime as regards the level of detail in the balance sheet or profit and loss, and as regards the need for an audit or for a management report. In addition Member State can simplify even further the regime of micro companies and bring it down to only a super simplified balance sheet, a super simplified profit or loss statement and lightweight publication regime. The Member States have used these possibilities to varying extents. The Commission has commissioned a consortium led by the Centre for European Policy Studies (CEPS) to conduct a study on the accounting regime of micro companies with limited liability (FISMA/2017/046/B)). These simplifications are not available to banks, insurance companies or listed companies which are considered as public-interest entities.

Questions

14. Do you agree that the EU approach is striking the right balance between preparers' costs and users' needs, considering the following types of companies?

	1	2	3	4	5	Don't know
Medium-sized	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Small	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Micro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Bitte an HGB-FA um Beantwortung.

15. EU laws usually define size categories of companies (micro, small, medium-sized or large) according to financial thresholds. Yet definitions may vary across EU pieces of legislation. For instance, the metrics of size-criteria for a micro-company in the Accounting Directive (for the financial statements) differ from those in the Commission Recommendation 2003/361/EC ([Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises](#) (for the support by certain EU business-support programmes). For instance, the turnover may not exceed €700,000 for micro-companies in the Directive whereas it may not exceed €2,000,000 in the Recommendation.)

	1	2	3	4	5	Don't know
In general, should the EU strive to use a single definition and unified metrics to identify SMEs across all the EU policy areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In particular, should the EU strive to align the SME definition metrics in the Accounting Directive with those in Recommendation 2003/361/EC?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Bitte an HGB-FA um Beantwortung.

Relevance of the content of financial reporting

A company's financial statement, together with the management report and related documents (corporate governance report, non-financial information) aim to provide a reliable picture of a company's performance and financial position at the reporting date. However, certain users argue that financial statements give only an image of the (recent) past and lack forward-looking information (see for instance [Conference Shaping the future of corporate reporting, panel 5 – Matching expectations with propositions, investors' views](#)). The financial statements may also fail to provide a complete picture of the long term value creation, business model, cash flows (non-IFRS financial statements) and internally generated intangible assets (See for instance [expert group's report on Intellectual Property Valuation, 2013](#)). There is also only scarce information required at

the EU level on dividend distribution policies and risks (see for instance the [UK FRC Lab](#)). The search for other sources of information to remedy this situation may increase costs for users and undermine the level playing field.

Questions

16. How do you think that the current EU framework as regards the content of financial reporting is relevant (necessary and appropriate), having regards to the following information:

	1	2	3	4	5	Don't know
A company's or group's <u>strategy, business model, value creation</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A company's or group's <u>intangible assets</u> , including goodwill, irrespective of whether these appear on the balance sheet or not	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A company's or group's <u>policies and risks on dividends</u> , including amounts available for distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A company's or group's <u>cash flows</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Please explain, including if in your view additional financial information should be provided:

Die Themenbereiche mögen nicht bzw. nicht ausführlich in der BilanzRL behandelt sein, dennoch erscheint es nicht angezeigt, die nationalen Normen diesbezüglich EU-weit zu vereinheitlichen.

17. Is there any other information that you would find useful but which is not currently published by companies?

- Yes
 No
 Don't know

Aus der Sicht von bestimmten Adressaten ist die Bereitstellung weiterer Informationen sicherlich wünschenswert; jedoch bezweifelt der FA, dass dies gesetzlich geregelt werden sollte.

Financial statements often contain alternative performance measures¹⁰ such as the EBITDA.

	1	2	3	4	5	Don't know
18. Do you think that the EU framework should define and require the disclosure of the most commonly used	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹⁰ An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

alternative performance measures?						
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(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5 = totally agree)

Unternehmen sollten die Flexibilität haben, APMs anzugeben. Vorgaben zur Erläuterung und Überleitung von APMs (wie z.B. die ESMA Guidelines on Alternative Performance Measures) erscheinen sinnvoller, als die Definition von bestimmten APMs. Eine Definition von APMs auf EU-Ebene kann weitere Probleme verursachen, wie Konflikte mit abweichenden Definitionen einzelner APMs durch das IASB und der Definition einzelner Komponenten im APM (z.B. was gehört zum Zins beim EBIT).