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Committee on Legal Affairs

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AMENDMENTS

101 - 267

Draft report
Klaus-Heiner Lehne
(PE485.920v03-00)

on the proposal for a directive of the European Parliament and of the Council
on the annual financial statements, consolidated financial statements and
related reports of certain types of undertakings

Proposal for a directive
(COM(2011)0684 – C7-0393/2011 – 2011/0308(COD))

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United in diversity

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Amendment 101
Syed Kamall

Proposal for a directive
Recital 6

Text proposed by the Commission

(6) Annual financial statements should give a true and fair view of an undertaking's assets and liabilities, financial position and profit or loss. **To this end** a mandatory layout should be prescribed for the balance sheet and the profit and loss account and the minimum content of the notes to the financial statements and the management report should be laid down. According to the 'think-small-first' principle the mandatory requirements for small undertakings should be fully harmonised in legislation. In order to avoid disproportionate burdens on these entities, Member States should not be entitled to require the presentation of further information. Member States may however impose further requirements on medium-sized and large undertakings..

Amendment

(6) Annual financial statements should give a true and fair view of an undertaking's assets and liabilities, financial position and profit or loss. **The true and fair view is the minimum standard of presenting the accounts in order to discharge the duties of the directors to the company, which includes that the company is capable of being a going concern by virtue of the net assets on its balance sheet being sufficient to support the creditor interest¹. That test requires that assets are not stated at above their realisable amounts and that prospective liabilities and prospective contingent liabilities are included.** Also a mandatory layout should be prescribed for the balance sheet and the profit and loss account and the minimum content of the notes to the financial statements and the management report should be laid down. According to the 'think-small-first' principle the mandatory requirements for small undertakings should be fully harmonised in legislation. In order to avoid disproportionate burdens on these entities, Member States should not be entitled to require the presentation of further information. Member States may however impose further requirements on medium-sized and large undertakings.

¹*European Court of Justice, judgment of 27 June 1996 in Case C-234/64, Tomberger v Gebrüder von der Wettern (ECR 1996, p. I-03133); and judgment of 14 September 1999 in Case C-275/97, DE + ES Bauunternehmung (ECR 1999, p. I-*

05331). Also see Article 15 of the Second Company Law Directive 77/91/EEC of 13 December 1976 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty in respect of the formation of public limited liability companies and the maintenance and alteration of their capital , with a view to making such safeguards equivalent (OJ L 26, 31.1.1977, p. 1), which also sets a net assets test for determining whether a dividend can be paid.

Or. en

Justification

Clarification is required with regard to what the true and fair view means in law as there has been confusion introduced in various places that are inconsistent with its current meaning in law. These inconsistencies are then superfluous to the true and fair view requirement and frustrate the functional requirements of accounts dependent on it. The Commission wrongly assuming that true and fair view is a product of following standards when it is actually a fundamental standard in its own right.

Amendment 102 Alexandra Thein

Proposal for a directive Recital 27

Text proposed by the Commission

(27) The Member States are strongly encouraged to develop electronic publication systems that allow undertakings to file accounting data, including statutory financial statements, only once and in a form that allows multiple users to access and use the data easily. Such systems should, however, not be burdensome to small and medium-sized undertakings.

Amendment

(27) A harmonised electronic format for reporting would be very beneficial for undertakings established in the Union, since it would facilitate the creation of a one-stop-shop reporting system which could also be used in other fields. The preparation of financial statements in eXtensible Business Reporting Language (XBRL) should therefore be compulsory with effect from 1 January 2018,

following a suitable period for preparation and testing. Establishing such a system should, however, not be burdensome to small and medium-sized undertakings.

Or. de

Amendment 103
Syed Kamall

Proposal for a directive
Recital 31

Text proposed by the Commission

(31) The annual financial statements and consolidated financial statements should be audited. The requirement that an audit opinion should state whether the annual or consolidated financial statements give a true and fair view *in accordance with the relevant financial reporting framework does not represent a restriction of the scope of that opinion but clarifies the context in which it is expressed.* The annual financial statements of small undertakings should not be covered by this audit obligation, as audit can be a significant administrative burden for this category of undertaking, whilst for many small undertakings the same persons are both shareholders and management and therefore have limited need for third party assurance on the financial statements.

Amendment

(31) The annual financial statements and consolidated financial statements should be audited. The requirement that an audit opinion should state whether the annual or consolidated financial statements give a true and fair view. The annual financial statements of small undertakings should not be covered by this audit obligation, as audit can be a significant administrative burden for this category of undertaking, whilst for many small undertakings the same persons are both shareholders and management and therefore have limited need for third party assurance on the financial statements.

Or. en

Justification

The true and fair view is an objective in its own right, as reflected in recital 6 and not the product of following something else, which the deleted text implies. The accounting directives and IFRS as reporting frameworks must both be in accordance with the true and fair view principle, not the other way round.

Amendment 104
Eva Lichtenberger

Proposal for a directive
Recital 32

Text proposed by the Commission

(32) In order to provide for enhanced transparency of payments made to governments, large undertakings and public interest entities ***which are active in the extractive industry or logging of primary forests*** should disclose in a ***separate*** report on an annual basis ***material*** payments made to governments in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests. The report should ***include types of payments comparable to those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade) and the Timber Regulation which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market.***

Amendment

(32) In order to provide for enhanced transparency of payments made to governments, large undertakings and public interest entities should disclose in a report on an annual basis payments made to governments in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests. The report, ***which should form part of the notes to the financial statements***, should ***also include certain contextual information. These measures aim at enabling investors to make better-informed decisions, improving corporate governance and accountability and contributing to containing tax evasion. The report should incorporate disclosures on a country basis, with certain additional reporting requirements on a project basis for undertakings active in the extractive industry or logging of primary forests.***

Or. en

Amendment 105
Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Recital 32

Text proposed by the Commission

(32) In order to provide for enhanced

Amendment

(32) In order to provide for enhanced

transparency of payments made to governments, large undertakings and public interest entities **which are active in the extractive industry or logging of primary forests** should disclose **in a separate report on an annual basis** material payments made to governments in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests. **The report** should include types of payments comparable to those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade) and the Timber Regulation which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market.

transparency of payments made to governments, large undertakings and public interest entities should disclose, **as part of their annual financial statements**, material payments made to governments in the countries in which they operate. Such undertakings **which** are active in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests should include **in their annual financial statements** types of payments comparable to those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade) and the Timber Regulation which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market.

Or. en

Amendment 106
Françoise Castex

Proposal for a directive
Recital 32

Text proposed by the Commission

(32) In order to provide for enhanced transparency of payments made to governments, large undertakings and public interest entities **which are active in the extractive industry or logging of primary forests** should disclose **in a separate report on an annual basis** material payments made to governments in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests.

Amendment

(32) In order to provide for enhanced transparency of payments made to governments, large undertakings and public interest entities should disclose **as part of the annual** report material payments made to governments **and other contextual information** in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests. The report should include types of payments comparable to

The report should include types of payments comparable to those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade) and the Timber Regulation which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market.

those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). ***This disclosure should be part of the annual report and should include types of payments building on those disclosed under the EITI and provide civil society, including investors, with other contextual information. The report should include activities of subsidiaries, associates, joint ventures, permanent establishments and other trading arrangements to the extent that they are consolidated in the annual financial statements of the undertaking or entity in question and should include turnover (including third party and intragroup turnover) of the undertaking that might give rise to payments and, on a country-by-country basis, profit before tax, effective tax rates, total number of people employed and their aggregate remuneration, expenditure on fixed asset investment during the course of the reporting period and, in the case of undertakings active in the extractive and logging industries, production volumes.*** The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade) and the Timber Regulation which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market.

Or. en

Amendment 107
Arlene McCarthy

Proposal for a directive
Recital 32

Text proposed by the Commission

(32) In order to provide for enhanced transparency of payments made to

Amendment

(32) In order to provide for enhanced transparency of payments made to

governments, large undertakings and public interest entities which are active in the extractive industry or logging of primary forests should disclose in **a separate report on an annual basis material** payments made to governments in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests. The report should include types of payments **comparable to** those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade) and the Timber Regulation which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market.

governments, large undertakings and public interest entities which are active in the extractive industry or logging of primary forests should disclose in **their annual financial statements any** payments made to governments in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests. The report should include types of payments **building on** those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade) and the Timber Regulation which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market.

Or. en

Amendment 108
Alexandra Thein

Proposal for a directive
Recital 32

Text proposed by the Commission

(32) In order to provide for enhanced transparency of payments made to governments, large undertakings and public interest entities which are active in the extractive industry **or logging of primary forests** should disclose in a separate report on an annual basis material payments made to governments in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular **minerals, oil, natural gas as well as primary forests**. The report should include types of

Amendment

(32) In order to provide for enhanced transparency of payments made to governments, large undertakings and public interest entities which are active in the extractive industry should disclose in a separate report on an annual basis material payments made to governments in the countries in which they operate. Such undertakings are active in countries rich in natural resources, in particular **oil and natural gas**. The report should include types of payments comparable to those disclosed by an undertaking participating

payments comparable to those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). ***The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade) and the Timber Regulation which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market.***

in the Extractive Industries Transparency Initiative (EITI).

Or. de

Amendment 109
Eva Lichtenberger

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) ***The reports should serve to facilitate governments of resource-rich countries in implementing the EITI Principles and Criteria and account to their citizens for payments such governments receive from undertakings active in the extractive industry or loggers of primary forests operating within their jurisdiction. The report should incorporate disclosures on a country and project basis, where a project is considered as the lowest level of operational reporting unit at which the undertaking prepares regular internal management reports, such as a concession, geographical basin, etc and where payments have been attributed to such projects. In the light of the overall objective of promoting good governance in these countries, the materiality of payments to be reported should be assessed in relation to the recipient government. Various criteria on materiality could be envisaged such as payments of an absolute amount, or a***

Amendment

(33) ***In the reports by large undertakings and public interest entities which are active in the extractive industry or logging of primary forests payments to governments should also be disclosed on a project basis, where project is equivalent to the contract, licence, lease, concession or other legal agreement which gives rise to a company's tax and revenue liabilities in each country where it operates; where any payment liabilities are incurred on a different basis, disclosure should be on that basis. However, the disclosure requirements on a project basis should be limited to projects for which the total amount of payments exceeds EUR 50 000. The reports should include types of payments comparable to those disclosed by an undertaking participating in the Extractive Industries Transparency Initiative (EITI). The initiative is also complementary to the EU FLEGT Action Plan (Forest Law Enforcement, Governance and Trade)¹ and the Timber***

percentage threshold (such as payments in excess of a percentage of a country's GDP) and these can be defined through a delegated act. The reporting regime should be subject to a review and a report by the Commission within five years of the entry into force of the Directive. The review should consider the effectiveness of the regime and take into account international developments including issues of competitiveness and energy security. The review should also take into account the experience of preparers and users of the payments information and consider whether it would be appropriate to include additional payment information such as effective tax rates and recipient details, such as bank account information.

Regulation² which require traders of timber products to exercise due diligence in order to prevent illegal wood from entering into the EU market. The reports should serve to facilitate governments of resource-rich countries in implementing the EITI Principles and Criteria and account to their citizens for payments such governments receive from undertakings active in the extractive industry or loggers of primary forests operating within their jurisdiction.

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:347:0001:0006:EN:PDF>

² *Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010. Companies that import wood products under EU voluntary agreements will be exempt from this requirement.*

Or. en

Amendment 110
Arlene McCarthy

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The reports should serve to facilitate governments *of resource-rich countries in implementing the EITI Principles and Criteria and account* to their citizens for payments *such governments* receive from

Amendment

(33) The reports should serve to facilitate governments' *accountability* to their citizens for payments *they* receive from undertakings operating within their jurisdiction. The report should incorporate

undertakings *active in the extractive industry or loggers of primary forests* operating within their jurisdiction. The report should incorporate disclosures on a country *and* project basis, where a project is considered as *the lowest level of operational reporting unit at which the undertaking prepares regular internal management reports, such as a concession, geographical basin, etc and where payments have been attributed to such projects*. In the light of the overall objective of promoting good governance *in these countries, the materiality of payments to be reported should be assessed in relation to the recipient government. Various criteria on materiality could be envisaged such as payments of an absolute amount, or a percentage threshold (such as payments in excess of a percentage of a country's GDP) and these can be defined through a delegated act*. The reporting regime should be subject to a review and a report by the Commission within *five years* of the entry into force of the Directive. The review should *consider the effectiveness of the regime and* take into account international developments *including issues of competitiveness and energy security. The review should also take into account the experience of preparers and users of the payments information and consider whether it would be appropriate to include additional payment information such as effective tax rates and recipient details, such as bank account information*.

disclosures on a country *by country basis. For undertakings active in the extractive industry or loggers of natural forest disclosure should also be on a project basis, where a project is considered as equivalent to activities governed by a license, lease, concession or similar legal agreement. Where any payment liabilities are incurred on a different basis, reporting should be on that basis*. In the light of the overall objective of promoting good governance *all types of payment should be reported where they are deemed to have a significant impact on a country's economy or society on a local, regional or national level and any threshold should capture such impacts. Rules should be put in place to ensure that any thresholds cannot be circumvented*. The reporting regime should be subject to a review and a report by the Commission within *two years* of the entry into force of the Directive. The review should take into account international developments, *progress towards global standards in this area and report on the impacts of this legislation on third countries, in particular in achieving the objectives of enhanced transparency of payments to governments*.

Or. en

Amendment 111

Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive

Recital 33

(33) The **reports** should serve to facilitate governments of resource-rich countries in implementing the EITI Principles and Criteria and account to their citizens for payments such governments receive from undertakings **active in the extractive industry or loggers of primary forests** operating within their jurisdiction. The **report should incorporate** disclosures on a **country** and **project** basis, where a project is considered as the lowest level of operational reporting unit **at which the undertaking prepares regular internal management reports**, such as a **concession, geographical basin, etc** and where payments have been attributed to such projects. **In the light of the overall objective of promoting good governance in these countries, the materiality of payments to be reported should be assessed in relation to the recipient government. Various criteria on materiality could be envisaged such as payments of an absolute amount, or a percentage threshold (such as payments in excess of a percentage of a country's GDP) and these can be defined through a delegated act.** The reporting regime should be subject to a review and a report by the Commission within **five** years of the entry into force of the Directive. The review should consider the effectiveness of the regime and take into account international developments including issues of competitiveness and energy security. The review should also take into account the experience of preparers and users of the payments information and consider whether it would be appropriate to include additional **payment** information **such as effective tax rates** and recipient details, such as bank account information.

(33) The **disclosures** should serve to facilitate governments of resource-rich countries in implementing the EITI Principles and Criteria, **amongst other voluntary reporting standards**, and account to their citizens for payments such governments receive from undertakings operating within their jurisdiction. The disclosures **should be** on a **country-by-country** and **project-by-project** basis, where a project is considered as the lowest level of operational reporting unit, such as a **contract, license, lease or other legal agreement under which an undertaking operates, which give rise to specific liabilities** and where payments have been attributed to such projects, **if any one payment or set of payments of the same type amount to more than 100 000 EUR.** The reporting regime should be subject to a review and a report by the Commission within **three** years of the entry into force of the Directive. The review should consider the effectiveness of the regime and take into account international developments including issues of competitiveness and energy security. The review should also take into account the experience of preparers and users of the payments information and consider whether it would be appropriate to include additional **financial** information and recipient details, such as bank account information.

Or. en

Amendment 112
Alexandra Thein

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The reports should serve to facilitate governments of resource-rich countries in implementing the EITI Principles and Criteria and account to their citizens for payments such governments receive from undertakings active in the extractive industry *or loggers of primary forests* operating within their jurisdiction. The report should incorporate disclosures on a country *and project* basis, *where a project is considered as the lowest level of operational reporting unit at which the undertaking prepares regular internal management reports, such as a concession, geographical basin, etc and where payments have been attributed to such projects*. In the light of the overall objective of promoting good governance in these countries, the materiality of payments to be reported should be assessed in relation to the recipient government. Various criteria on materiality could be envisaged such as payments of an absolute amount, or a percentage threshold (such as payments in excess of a percentage of a country's GDP) and these can be defined through a delegated act. The reporting regime should be subject to a review and a report by the Commission within five years of the entry into force of the Directive. The review should consider the effectiveness of the regime and take into account international developments including issues of competitiveness and energy security. The review should also take into account the experience of preparers and users of the payments information and consider whether it would be appropriate to

Amendment

(33) The reports should serve to facilitate governments of resource-rich countries in implementing the EITI Principles and Criteria and account to their citizens for payments such governments receive from undertakings active in the extractive industry operating within their jurisdiction. The report should incorporate disclosures on a country basis. In the light of the overall objective of promoting good governance in these countries, the materiality of payments to be reported should be assessed in relation to the recipient government. Various criteria on materiality could be envisaged such as payments of an absolute amount, or a percentage threshold (such as payments in excess of a percentage of a country's GDP) and these can be defined through a delegated act. The reporting regime should be subject to a review and a report by the Commission within five years of the entry into force of the Directive. The review should consider the effectiveness of the regime and take into account international developments including issues of competitiveness and energy security. The review should also take into account the experience of preparers and users of the payments information and consider whether it would be appropriate to include additional payment information such as effective tax rates and recipient details, such as bank account information.

include additional payment information such as effective tax rates and recipient details, such as bank account information.

Or. de

Amendment 113
Giuseppe Gargani

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The reports should serve to facilitate governments of resource-rich countries in implementing the EITI Principles and Criteria and account to their citizens for payments such governments receive from undertakings active in the extractive industry or loggers of primary forests operating within their jurisdiction. The report should incorporate disclosures on ***a country and project basis, where a project is considered as the lowest level of operational reporting unit at which the undertaking prepares regular internal management reports, such as a concession, geographical basin, etc and where payments have been attributed to such projects. In the light of the overall objective of promoting good governance in these countries, the materiality of payments to be reported should be assessed in relation to the recipient government. Various criteria on materiality could be envisaged such as payments of an absolute amount, or a percentage threshold (such as payments in excess of a percentage of a country's GDP) and these can be defined through a delegated act.*** The reporting regime should be subject to a review and a report by the Commission within ***five*** years of the entry into force of the Directive. The review should consider the effectiveness of the

Amendment

(33) The reports should serve to facilitate governments of resource-rich countries in implementing the EITI Principles and Criteria and account to their citizens for payments such governments receive from undertakings active in the extractive industry or loggers of primary forests operating within their jurisdiction. The report should incorporate disclosures on ***the basis of the country and the level of national/federal, state/regional and local government. Provision should be made for an overall disclosure threshold which should take account*** of the objective of promoting good governance ***and limiting the misappropriation of significant amounts of government revenue*** in these countries; ***it should also take into account the need to respond to the call for greater transparency and to ensure that an appropriate balance is struck between costs and benefits and the competitiveness of European undertakings.*** The reporting regime should be subject to a review and a report by the Commission within ***three*** years of the entry into force of the Directive. The review should consider the effectiveness of the regime and take into account international developments including issues of competitiveness and energy security. The review should also take into account the experience of

regime and take into account international developments including issues of competitiveness and energy security. The review should also take into account the experience of preparers and users of the payments information and consider whether it would be appropriate to ***include additional payment information such as effective tax rates and recipient details, such as bank account information.***

preparers and users of the payments information and consider whether it would be appropriate to ***reduce or extend the disclosure requirements, or to strengthen and support measures such as capacity building (development of the capacity and potential of the area to which the investments refer) in third countries.***

Or. it

Amendment 114
Eva Lichtenberger

Proposal for a directive
Recital 33 a (new)

Text proposed by the Commission

Amendment

(33a) The reporting regime on payments to governments should be subject to a review and a report by the Commission within four years of the entry into force of this Directive. The review should consider the effectiveness of the regime and take into account international developments including issues of competitiveness and energy security. It should also consider whether the reporting obligations for undertakings which are active in the extractive industry or logging of primary forests should be extended to certain other industries, including in particular fisheries. The review should also take into account the experience of preparers and users of the payments information and should consider whether it would be appropriate to include additional payment information such as effective tax rates and recipient details such as bank account information.

Or. en

Amendment 115

Cecilia Wikström, Rebecca Taylor, Sharon Bowles

Proposal for a directive

Recital 35

Text proposed by the Commission

(35) In order to take account of future changes to the laws of the Member States and in the legislation of the Union concerning company types, the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty in respect of updating the lists of undertakings contained in Annexes I and II. The use of delegated acts is also necessary to adapt the undertaking size criteria, as with the passage of time inflation will erode their real value. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. ***In order to ensure a relevant and appropriate level of disclosure of payments to governments by the extractive industry and loggers of primary forests and to ensure uniform application of this Directive, the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty in respect of the specification of the concept of materiality of payments.***

Amendment

(35) In order to take account of future changes to the laws of the Member States and in the legislation of the Union concerning company types, the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty in respect of updating the lists of undertakings contained in Annexes I and II. The use of delegated acts is also necessary to adapt the undertaking size criteria, as with the passage of time inflation will erode their real value. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Or. en

Amendment 116

Françoise Castex

Proposal for a directive

Recital 35

Text proposed by the Commission

(35) ***In order to take account of future changes to the laws of the Member States and in the legislation of the Union concerning company types, the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty in respect of updating the lists of undertakings contained in Annexes I and II. The use of delegated acts is also necessary to adapt the undertaking size criteria, as with the passage of time inflation will erode their real value.*** It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. In order to ensure ***a relevant and appropriate level of disclosure of payments to governments by the extractive industry and loggers of primary forests and to ensure uniform application of this Directive,*** the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty ***in respect of the specification of the concept of materiality of payments.***

Amendment

(35) ***The use of delegated acts is necessary to adapt the undertaking size criteria, as with the passage of time inflation will erode their real value.*** The Commission should ***therefore*** be empowered to adopt delegated acts in accordance with Article 290 of the Treaty in ***order to adjust*** the undertaking size criteria ***to the extent necessary to offset the effects*** of inflation. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. In order to ensure ***that*** payments to governments by the extractive industry and loggers of primary forests ***need not be reported if equivalent reporting requirements are observed,*** the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty.

Or. en

Amendment 117
Alexandra Thein

Proposal for a directive
Recital 35

Text proposed by the Commission

(35) In order to take account of future changes to the laws of the Member States and in the legislation of the Union concerning company types, the Commission should be empowered to adopt delegated acts in accordance with

Amendment

(35) In order to take account of future changes to the laws of the Member States and in the legislation of the Union concerning company types, the Commission should be empowered to adopt delegated acts in accordance with

Article 290 of the Treaty in respect of updating the lists of undertakings contained in Annexes I and II. The use of delegated acts is also necessary to adapt the undertaking size criteria, as with the passage of time inflation will erode their real value. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. In order to ensure a relevant and appropriate level of disclosure of payments to governments by the extractive industry *and loggers of primary forests* and to ensure uniform application of this Directive, the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty in respect of the specification of the concept of materiality of payments.

Article 290 of the Treaty in respect of updating the lists of undertakings contained in Annexes I and II. The use of delegated acts is also necessary to adapt the undertaking size criteria, as with the passage of time inflation will erode their real value. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. In order to ensure a relevant and appropriate level of disclosure of payments to governments by the extractive industry and to ensure uniform application of this Directive, the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty in respect of the specification of the concept of materiality of payments.

Or. de

Amendment 118
Françoise Castex

Proposal for a directive
Article 1 – paragraph 2

Text proposed by the Commission

2. The Commission shall be empowered to adapt, by means of delegated acts in accordance with Article 42, the lists of undertakings contained in Annexes I and II referred to in paragraph 1.

Amendment

deleted

Or. fr

Amendment 119
Alexandra Thein

Proposal for a directive
Article 2 – point 13 a (new)

Text proposed by the Commission

Amendment

(13a) Capital shall be defined with regard to the rules on capital maintenance and limitations to profit distribution as laid down in the Second Council Directive 77/91/EEC of 13 December 1976 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 54 of the Treaty, in respect of the formation of the public limited liability companies and the maintenance and alteration of their capital, with the view to making such safeguards equivalent¹.

¹ *OJ L 26, 31. 1. 1977, p. 1.*

Or. xm

Justification

The term 'capital and reserves' is used in the Directive without being properly defined. It should therefore also be geared to the term 'capital and reserves' of company law, based on Directive 77/91/EEC of 13 December 1976 and adapted to capital maintenance and creditor protection.

Amendment 120

Françoise Castex, Antonio Masip Hidalgo

Proposal for a directive

Article 3 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. In order to take account of the disparity in the European economic fabric, Member States shall have the option of increasing or reducing the thresholds for small undertakings and small groups as defined in paragraphs 1

and 4 above.

Or. fr

Amendment 121

Evelyn Regner

**Proposal for a directive
Article 3 – paragraph 10**

Text proposed by the Commission

Amendment

10. In order to adjust for the effects of inflation, the Commission shall examine periodically and, where necessary, amend, by means of delegated acts in accordance with Article 42, the definitions referred to in paragraphs 1 to 5 of this Article, taking into account measures of inflation as published in the Official Journal of the European Union.

deleted

Or. en

Justification

For small countries the thresholds given in Article 3 are already very high. Another adjustment would result in deterioration of transparency, disclosure and information for interested stakeholders.

Amendment 122

Françoise Castex

**Proposal for a directive
Article 3 – paragraph 10**

Text proposed by the Commission

Amendment

10. In order to adjust for the effects of inflation, the Commission shall examine periodically and, where necessary, amend, **by means of delegated acts in accordance with Article 42**, the definitions referred to

10. In order to adjust for the effects of inflation, the Commission shall examine periodically and, where necessary, amend the definitions referred to in paragraphs 1 to 5 of this Article, taking into account

in paragraphs 1 to 5 of this Article, taking into account measures of inflation as published in the Official Journal of the European Union

measures of inflation as published in the Official Journal of the European Union.

Or. fr

Amendment 123
Evelyn Regner

Proposal for a directive
Article 4 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States may require ***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.

Amendment

Member States may require undertakings to include other statements in the annual financial statements in addition to the documents referred to in the first subparagraph.

Or. en

Justification

As this article is optional anyway, there's no need to permit Member States to require additional information from small undertakings, which go beyond the information required within this directive.

Amendment 124
Syed Kamall

Proposal for a directive
Article 4 – paragraph 3

Text proposed by the Commission

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 the provisions of this Directive would not be sufficient to give a***

Amendment

3. The annual financial statements shall give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss.

true and fair view of the undertaking's assets, liabilities, financial position and profit or loss, additional information shall be given.

Or. en

Justification

The excised text reflects the Commission making the same error explained in recital 6. The true and fair view is the minimum standard for presenting the correct net asset number, and it is not something that can be met by additional disclosure by way of note.

Amendment 125
Alexandra Thein

Proposal for a directive
Article 4 a (new)

Text proposed by the Commission

Amendment

Article 4a

eXtensible Business Reporting Language

1. With effect from 1 January 2018, all financial statements will be prepared in eXtensible Business Reporting Language (XBRL).

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 42 in order to specify the XBRL format and the manner in which this provision is to be implemented in the Member States. Prior to the adoption of the delegated act, the European Securities and Markets Authority ('ESMA') shall issue to the Commission an opinion on the specification of the format.

3. Before the adoption of the delegated acts referred to in paragraph 2, the Commission, together with ESMA, shall carry out an adequate assessment of possible XBRL formats and conduct appropriate tests in all Member States.

Amendment 126
Françoise Castex

Proposal for a directive
Article 5 – paragraph 1 – point h

Text proposed by the Commission

(h) items in the profit and loss account and balance sheet **shall** be presented having regard to the substance of the reported transaction or arrangement;

Amendment

(h) items in the profit and loss account and balance sheet **may** be presented having regard to the substance **or the form** of the reported transaction or arrangement;

Or. fr

Amendment 127
Françoise Castex

Proposal for a directive
Article 5 – paragraph 1 – point j

Text proposed by the Commission

(j) **recognition, measurement,** presentation, and disclosure in annual financial statements shall have regard to the materiality of the relevant items.

Amendment

(j) presentation, and disclosure in annual financial statements shall have regard to the materiality of the relevant items.

Or. fr

Amendment 128
Eva Lichtenberger

Proposal for a directive
Article 6 – paragraph 1

Text proposed by the Commission

1. By way of derogation from Article 5(1)(i), Member States may permit or

Amendment

deleted

require in respect of all undertakings or any classes of undertaking measurement of fixed assets at revalued amounts. Where national law provides for such measurement, it shall define its content and limits and the rules for its application.

Or. en

Amendment 129
Eva Lichtenberger

Proposal for a directive
Article 7

Text proposed by the Commission

Amendment

Article 7

deleted

Alternative measurement basis of fair value

1. By way of derogation from Article 5(1)(i) and subject to the conditions set out in this Article:

(a) Member States shall permit or require in respect of all undertakings or any classes of undertaking measurement of financial instruments, including derivative financial instruments, at fair value.

(b) Member States may permit or require in respect of all undertakings or any classes of undertaking measurement of specified categories of assets other than financial instruments at amounts determined by reference to fair value.

Such permission or requirement may be restricted to consolidated financial statements.

2. For the purpose of this Directive, commodity-based contracts that give either contracting party the right to settle in cash or some other financial

instrument shall be considered to be derivative financial instruments, except when the following conditions are complied with:

- (a) they were entered into and continue to meet the undertaking's expected purchase, sale or usage requirements;*
- (b) they were designated as commodity-based contracts at their inception;*
- (c) they are expected to be settled by delivery of the commodity.*

3. Paragraph 1(a) shall apply only to the following liabilities:

- (a) liabilities held as part of a trading portfolio;*
- (b) derivative financial instruments.*

4. Measurement according to paragraph 1(a) shall not apply to the following:

- (a) non-derivative financial instruments held to maturity;*
- (b) loans and receivables originated by the undertaking and not held for trading purposes;*
- (c) interests in subsidiaries, associated undertakings and joint ventures, equity instruments issued by the undertaking, contracts for contingent consideration in a business combination as well as other financial instruments with such special characteristics that the instruments, according to what is generally accepted, shall be accounted for differently from other financial instruments.*

5. By way of derogation from Article 5(1)(i), Member States may 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, permit measurement at the specific amount required under that system.

6. By way of derogation from paragraphs 3 and 4 of this Article, Member States

may permit or require the recognition, measurement and disclosure of financial instruments in conformity with international accounting standards adopted in accordance with Regulation (EC) No 1606/2002.

7. The fair value within the meaning of this Article shall be determined by reference to one of the following values:

(a) a market value, for those financial instruments for which a reliable market can readily be identified. Where a market value is not readily identifiable for an instrument but can be identified for its components or for a similar instrument, the market value may be derived from that of its components or of the similar instrument;

(b) a value resulting from generally accepted valuation models and techniques, for those instruments for which a reliable market cannot be readily identified. Such valuation models and techniques shall ensure a reasonable approximation of the market value.

Financial instruments that cannot be measured reliably by any of the methods described in points (a) and (b), shall be measured in accordance with the principle of purchase price or production cost.

8. Notwithstanding Article 5(1)(c), where a financial instrument is measured at fair value, a change in value shall be included in the profit and loss account. However, such a change shall be included directly in a fair value reserve, where:

(a) 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

(b) 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.

Member States may permit or require a change in the value of an available for sale financial asset, other than a derivative financial instrument, to be included directly in the fair value reserve. The fair value reserve shall be adjusted when amounts shown therein are no longer necessary for the implementation of points (a) and (b).

9. Notwithstanding Article 5(1)(c), Member States may permit or require 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.

Or. en

Amendment 130
Syed Kamall

Proposal for a directive
Article 7 – paragraph 5

Text proposed by the Commission

5. By way of derogation from Article 5(1)(i), Member States may 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, permit measurement at the specific amount required under that system.

Amendment

5. By way of derogation from Article 5(1)(i), Member States may 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, permit measurement at the specific amount required under that system, ***subject to that being consistent with the true and fair view principle.***

Or. en

Justification

Given that the true and fair view is the minimum standard to discharge the duties of the directors in matters of going concern and the lawfulness of distributions some aspects of fair value accounting may be contrary to that. The ECJ has held that the requirements of the accounting directive can only be applied in a way that is consistent with the true and fair view principle, rather than the other way round.

Amendment 131 **Syed Kamall**

Proposal for a directive **Article 7 – paragraph 6**

Text proposed by the Commission

6. By way of derogation from paragraphs 3 and 4 of this Article, Member States may permit or require the recognition, measurement and disclosure of financial instruments in conformity with international accounting standards adopted in accordance with Regulation (EC) No 1606/2002.

Amendment

6. By way of derogation from paragraphs 3 and 4 of this Article, Member States may permit or require the recognition, measurement and disclosure of financial instruments in conformity with international accounting standards adopted in accordance with Regulation (EC) No 1606/2002, ***subject to that being consistent with the true and fair view principle.***

Or. en

Justification

Clarification is required with regard to what the true and fair view means in law as there has been confusion introduced in various places that are inconsistent with its current meaning in law. These inconsistencies are then superfluous to the true and fair view requirement and frustrate the functional requirements of accounts dependent on it. The Commission wrongly assuming that true and fair view is a product of following standards when it is actually a fundamental standard in its own right.

Amendment 132 **Sajjad Karim**

Proposal for a directive **Article 8 a (new)**

Text proposed by the Commission

Amendment

Article 8a

Layout of the balance sheet

For the presentation of the balance sheet, Member States must require one or both of the layouts set out in Articles 9 and 9a. If a Member State permits both layouts, it must allow undertakings to choose which of the prescribed layouts to adopt.

Or. en

Amendment 133
Sajjad Karim

Proposal for a directive
Article 9 – title

Text proposed by the Commission

Amendment

Layout of the balance sheet

Layout of the balance sheet - (A)

Or. en

Amendment 134
Sajjad Karim

Proposal for a directive
Article 9 – Assets – point A – subparagraph 2

Text proposed by the Commission

Amendment

(unless national law provides that called-up capital be ***shown*** under ‘capital and reserves’. In that case, the part of the capital called but not yet paid shall appear as an asset either under A or under C (II) (5)).

(unless national law provides that called-up capital ***may be included*** under ‘capital and reserves’. In that case, the part of the capital called but not yet paid shall appear as an asset either under A or under C (II) (5)).

Or. en

Amendment 135
Sajjad Karim

Proposal for a directive
Article 9 a (new)

Text proposed by the Commission

Amendment

Article 9a

Layout of balance sheet - (B)

A. Subscribed capital unpaid

of which there has been called

(unless national law provides that called-up capital may be included under L. In that case, the part of the capital called but not yet paid must appear either under A or under D (II) (5)).

B. Formation expenses

as defined by national law, and in so far as national law permits their being shown as an asset. National law may also provide for formation expenses to be shown as the first item under 'Intangible assets'.

C. Fixed assets

I. Intangible assets

1. Costs of development, in so far as national law permits their being shown as assets.

2. Concessions, patents, licences, trade marks and similar rights and assets, if they were:

(a) acquired for valuable consideration and need not be shown under C (I) (3); or

(b) created by the undertaking itself, in so far as national law permits their being shown as assets.

3. Goodwill, to the extent that it was acquired for valuable consideration.

4. Payments on account.

II. Tangible assets

- 1. Land and buildings.***
- 2. Plant and machinery.***
- 3. Other fixtures and fittings, tools and equipment.***
- 4. Payments on account and tangible assets in course of construction.***

III. Financial assets

- 1. Shares in affiliated undertakings.***
- 2. Loans to affiliated undertakings.***
- 3. Participating interests.***
- 4. Loans to undertakings with which the company is linked by virtue of participating interests.***
- 5. Investments held as fixed assets.***
- 6. Other loans.***

D. Current assets

I. Stocks

- 1. Raw materials and consumables.***
- 2. Work in progress.***
- 3. Finished goods and goods for resale.***
- 4. Payments on account.***

II. Debtors

(Amounts becoming due and payable after more than one year must be shown separately for each item.)

- 1. Trade debtors.***
- 2. Amounts owed by affiliated undertakings.***
- 3. Amounts owed by undertakings with which the company is linked by virtue of participating interests.***
- 4. Other debtors.***
- 5. Subscribed capital called but not paid (unless national law provides that called-up capital be shown under A).***
- 6. Prepayments and accrued income***

(unless national law provides that such items be shown under E).

III. Investments

- 1. Shares in affiliated undertakings.**
- 2. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) to the extent that national law permits their being shown in the balance sheet.**

- 3. Other investments.**

IV. Cash at bank and in hand

E. Prepayments and accrued income

(unless national law provides for such items to be shown under D(II) (6)).

F. Creditors: amounts be coming due and payable within one year

- 1. Debenture loans, showing convertible loans separately.**
- 2. Amounts owed to credit institutions.**
- 3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks.**
- 4. Trade creditors.**
- 5. Bills of exchange payable.**
- 6. Amounts owed to affiliated undertakings.**
- 7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.**
- 8. Other creditors including tax and social security.**
- 9. Accruals and deferred income (unless national law provides for such items to be shown under K).**

G. Net current assets/liabilities (taking into account prepayments and accrued income when shown under E and accruals and deferred income when shown under K).

H. Total assets less current liabilities

I. Creditors: amounts becoming due and payable after more than one year

1. Debenture loans, showing convertible loans separately.

2. Amounts owed to credit institutions.

3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks.

4. Trade creditors.

5. Bills of exchange payable.

6. Amounts owed to affiliated undertakings.

7. Amounts owed to undertakings with which the company is linked by virtue of participating interests.

8. Other creditors including tax and social security.

9. Accruals and deferred income (unless national law provides for such items to be shown under K).

J. Provisions

1. Provisions for pensions and similar obligations.

2. Provisions for taxation.

3. Other provisions.

K. Accruals and deferred income (unless national law provides for such items to be shown under F (9) or I (9) or both).

L. Capital and reserves

I. Subscribed capital

(unless national law provides for called-up capital to be shown under this item. In that case, the amounts of subscribed capital and paid-up capital must be shown separately).

II. Share premium account

III. Revaluation reserve

IV. Reserves

1. Legal reserve, in so far as national law requires such a reserve.

2. Reserve for own shares, in so far as national law requires such a reserve, without prejudice to Article 22 (1) (b) of Directive 77/91/EEC.

3. Reserves provided for by the articles of association.

4. Other reserves.

V. Profit or loss brought forward

VI. Profit or loss for the financial year

Or. en

Amendment 136

Evelyn Regner

Proposal for a directive

Article 10

Text proposed by the Commission

Amendment

Article 10

deleted

Alternative presentation of the balance sheet

Member States may permit or require 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 than that prescribed in Article 9, provided that the information given is at least equivalent to that otherwise required by Article 9.

Or. en

Justification

By deviating from the standard layout in accordance to Article 9, the comparability is no longer provided.

Amendment 137
Sajjad Karim

Proposal for a directive
Article 10 – paragraph 1

Text proposed by the Commission

Member States may permit or require 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 than that prescribed in Article 9, provided that the information given is at least equivalent to that otherwise required by Article 9.

Amendment

Member States may permit or require 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 than that prescribed in Article 9 **or 9a, as appropriate**, provided that the information given is at least equivalent to that otherwise required by **the relevant** Article.

Or. en

Amendment 138
Arlene McCarthy

Proposal for a directive
Article 11 – paragraph 8

Text proposed by the Commission

8. Member States may permit 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 on the basis of the ‘first in, first out’ (FIFO) method, or a similar method.

Amendment

8. Member States may permit 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 on the basis of the ‘first in, first out’ (FIFO) method, or a similar method **that reflects current best practice and shall exclude the 'last in, first out' (LIFO) method.**

Or. en

Amendment 139
Sajjad Karim

Proposal for a directive
Article 11 – paragraph 10

Text proposed by the Commission

10. Goodwill shall be written off systematically over its useful life. Where its useful life cannot be reliably estimated it shall be written off within a maximum period of **5 years**. An explanation of the period(s) over which goodwill is written off shall be provided within the notes to the financial statements.

Amendment

10. Goodwill shall be written off systematically over its useful life. Where its useful life cannot be reliably estimated it shall be written off within a maximum period of **10 years**. An explanation of the period(s) over which goodwill is written off shall be provided within the notes to the financial statements.

Or. en

Amendment 140
Evelyn Regner

Proposal for a directive
Article 13 – paragraph 6 – point a

Text proposed by the Commission

(a) wages **and salaries**;

Amendment

(a) wages;

Or. en

Amendment 141
Evelyn Regner

Proposal for a directive
Article 13 – paragraph 6 – point a a (new)

Text proposed by the Commission

Amendment

(aa) salaries;

Or. en

Amendment 142
Evelyn Regner

Proposal for a directive
Article 13 – paragraph 6 – point a b (new)

Text proposed by the Commission

Amendment

(ab) statutory ancillary wage costs;

Or. en

Amendment 143
Sajjad Karim

Proposal for a directive
Article 16 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall permit small undertakings to draw up abridged balance sheets showing only those items preceded by letters and roman numerals in Article 9, disclosing separately the information required in brackets in C (II) under 'Assets' and C under 'Capital, reserves and liabilities', but in **total** for each.

1. Member States shall permit small undertakings to draw up abridged balance sheets showing only those items preceded by letters and roman numerals in Article 9, **or, as the case may be, Article 9a**, disclosing separately **as applicable**:

(a) the information required in brackets in C (II) under 'Assets' and C under 'Capital, reserves and liabilities', but in **aggregate** for each; **or**

(b) the information required in Article 9a in brackets in D(II).

Or. en

Amendment 144
Evelyn Regner

Proposal for a directive
Article 17 – paragraph 1 – point h a (new)

Text proposed by the Commission

Amendment

(ha) the average number of employees and, separately, the average number of temporary and agency staff;

Or. de

**Amendment 145
Alexandra Thein**

**Proposal for a directive
Article 19 – paragraph 1 – point b a (new)**

Text proposed by the Commission

Amendment

(ba) the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of the company.

Or. en

**Amendment 146
Evelyn Regner**

**Proposal for a directive
Article 20 – paragraph 4**

Text proposed by the Commission

Amendment

4. Member States may exempt medium-sized undertakings from the obligation set out in the third subparagraph of paragraph 1 in so far as it relates to non-financial information.

deleted

Justification

A general exemption of medium-sized undertakings from the obligation to report non-financial information is not appropriate. In practice, the problem is one of definition, as the directive doesn't give a concrete definition of "non-financial key performance indicators". A reporting obligation for these figures is desirable, especially in view of transparent and sustainable corporate governance.

Amendment 147
Evelyn Regner

Proposal for a directive
Article 21 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(fa) a transparent and informative description of the diversity strategy of the undertaking, including disclosure of the concrete measures implemented by the undertaking to achieve more diversity within the employment structure and on the boards.

Or. en

Amendment 148
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. 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) ***controls one or more other undertakings (subsidiary undertaking(s)) in any of the***

1. 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):

following situations:

Or. en

Amendment 149
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) *it* has a majority of the shareholders' or members' voting rights in *the* other undertaking(s);

(a) has a majority of the shareholders' or members' voting rights in other undertaking(s) (*subsidiary undertaking(s)*);

Or. en

Amendment 150
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) *it* has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of *the* other undertaking(s) and is at the same time a shareholder in or *a* member thereof;

(b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of other undertaking(s) and is at the same time a shareholder in or member thereof;

Or. en

Amendment 151
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 – point c

Text proposed by the Commission

(c) **it** has the right to exercise a dominant influence over **the** other undertaking(s) of which it is a shareholder or **a** member, pursuant to a contract entered into with the undertaking(s) or to a provision in its memorandum or articles of association, where the law governing the other undertaking(s) permits such contracts or provisions.

Amendment

(c) has the right to exercise a dominant influence over other undertaking(s) of which it is a shareholder or member, pursuant to a contract entered into with the undertaking(s) or to a provision in its memorandum or articles of association, where the law governing the other undertaking(s) permits such contracts or provisions. ***A Member State need not prescribe that a parent undertaking must be a shareholder in or member of its subsidiary undertaking(s). Those Member States the laws of which do not provide for each contracts or clauses shall not be required to apply this provision;***

Or. en

Amendment 152
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 – point d

Text proposed by the Commission

(d) it has the power to exercise, or actually exercises, dominant influence or control over the other undertaking(s);

Amendment

deleted

Or. en

Amendment 153
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 – point e

Text proposed by the Commission

(e) it and the other undertaking(s) are

Amendment

deleted

managed on a unified basis by the parent undertaking;

Or. en

Amendment 154
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 – point f – subpoint ii

Text proposed by the Commission

(ii) controls alone, pursuant to an agreement with other shareholders in or members of the other undertaking(s), a majority of shareholders' or members' voting rights.

Amendment

(ii) controls alone, pursuant to an agreement with other shareholders in or members of the other undertaking (s), a majority of shareholders' or members' voting rights. ***Member States may introduce more detailed provisions concerning the form and contents of such agreements.***

Or. en

Amendment 155
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 – point f – final part – subparagraph -1 (new)

Text proposed by the Commission

Amendment

Member States shall prescribe at least the arrangements referred to in point (ii) above.

They may make the application of point (i) above dependent upon the holding's representing 20 % or more of the shareholders' or members' voting rights.

Or. en

Amendment 156
Alexandra Thein

Proposal for a directive
Article 23 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Apart from the cases mentioned in paragraph 1 the Member States may require any undertaking governed by their national law to draw up consolidated financial statements and a consolidated management report if:

(a) that undertaking has the power to exercise, or actually exercises, dominant influence or control over the other undertaking(s);

(b) that undertaking and the other undertaking(s) are managed on a unified basis by the parent undertaking.

Or. en

Amendment 157
Evelyn Regner

Proposal for a directive
Article 30 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

Member States may, however, exempt undertakings from the obligation to publish the management report. In such a case it shall be possible to obtain a copy of all or part of any such report upon request. The price of such a copy shall not exceed its administrative cost.

deleted

Or. en

Justification

A general exemption from the obligation to publish the management report is not acceptable.

Amendment 158
Arlene McCarthy

Proposal for a directive
Article 30 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Members States shall ensure that companies submit their accounts for publication a maximum of nine months after the end of their financial year.

Or. en

Amendment 159
Sajjad Karim

Proposal for a directive
Article 31 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) abridged balance sheets showing only those items preceded by letters and roman numerals in Article 9 disclosing separately, either in the balance sheet or in the notes to the financial statements:

(a) abridged balance sheets showing only those items preceded by letters and roman numerals in Article 9 ***or, as the case may be, Article 9a*** disclosing separately, either in the balance sheet or in the notes to the financial statements:

Or. en

Amendment 160
Sajjad Karim

Proposal for a directive
Article 34 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

1. Member States shall ensure that the financial statements of public interest entities, **medium-sized** and large undertakings are audited by one or more persons approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC of the European Parliament and of the Council.

1. Member States shall ensure that the financial statements of public interest entities and large undertakings are audited by one or more persons approved by Member States to carry out statutory audits on the basis of Directive 2006/43/EC of the European Parliament and of the Council.

Or. en

Amendment 161
Sajjad Karim

Proposal for a directive
Article 34 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

The statutory auditor shall also express an opinion concerning the consistency of the management report with the financial statements for the same financial year.

deleted

Or. en

Justification

The detailed content of the audit report is more appropriately contained in the Audit Directive, which is currently under review.

Amendment 162
Sajjad Karim

Proposal for a directive
Article 34 – paragraph 2

Text proposed by the Commission

Amendment

2. The first sub-paragraph of paragraph 1 shall apply with respect to consolidated

deleted

financial statements. The second subparagraph of paragraph 1 shall apply with respect to consolidated financial statements and consolidated management reports.

Or. en

Amendment 163
Sajjad Karim

Proposal for a directive
Article 35 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) an opinion concerning the consistency of the management report with the annual financial statements for the same financial year.

deleted

Or. en

Amendment 164
Sajjad Karim

Proposal for a directive
Article 35 – paragraph 3

Text proposed by the Commission

Amendment

3. The report of the statutory auditor on the consolidated financial statements shall comply with the requirements set out in of paragraphs 1 and 2. ***In reporting on the consistency of the management report and the financial statements as required by paragraph 1(e), the statutory auditor shall consider the consolidated financial statements and the consolidated management report.*** Where the annual financial statements of the parent undertaking are attached to the consolidated financial statements, the

3. The report of the statutory auditor on the consolidated financial statements shall comply with the requirements set out in of paragraphs 1 and 2. Where the annual financial statements of the parent undertaking are attached to the consolidated financial statements, the reports of the statutory auditors required by this Article may be combined.

reports of the statutory auditors required by this Article may be combined.

Or. en

Amendment 165
Eva Lichtenberger

Proposal for a directive
Article 36 – paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. 'Undertaking' means the highest level parent company publishing accounts within the European Union where the group of companies for which that parent company prepares consolidated financial statements includes subsidiary companies, branches, permanent establishments, joint ventures and associate undertakings.

Or. en

Justification

Disclosure should embrace not only individual company but also permanent establishments trading in places other than those in which they are incorporated and joint ventures and associates even when their results are not for other purposes fully consolidated within the parent company accounts.

Amendment 166
Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Article 36 – paragraph 1

Text proposed by the Commission

Amendment

1. 'Undertaking active in the extractive industry' means an undertaking with any activity involving the exploration, discovery, development, and extraction of

deleted

minerals, oil and natural gas deposits, as referred to in Section B-Divisions 05 to 08 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council.

Or. en

Amendment 167
Arlene McCarthy

Proposal for a directive
Article 36 – paragraph 1

Text proposed by the Commission

1. 'Undertaking *active in the extractive industry*' means an undertaking with any activity involving the exploration, discovery, development, and extraction of minerals, oil and natural gas deposits, as referred to in Section B-Divisions 05 to 08 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council.

Amendment

1. 'Undertaking' *means the highest level parent company publishing accounts within the European Union where the group of companies for which that parent company prepares consolidated financial statements, includes subsidiary companies, branches, permanent establishments, joint ventures and associates.*

Or. en

Amendment 168
Eva Lichtenberger

Proposal for a directive
Article 36 – paragraph 1

Text proposed by the Commission

1. 'Undertaking active in the extractive industry' means an undertaking with any activity involving the exploration, discovery, development, and extraction of minerals, oil and natural gas deposits, as referred to in Section B-Divisions 05 to 08 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and

Amendment

1. 'Undertaking active in the extractive industry' means an undertaking with any activity involving the *prospection*, exploration, discovery, development, and extraction of minerals, oil and natural gas deposits, as referred to in Section B-Divisions 05 to 08 of Annex I to Regulation (EC) No 1893/2006 of the

of the Council.

European Parliament and of the Council.

Or. en

Amendment 169
Arlene McCarthy

Proposal for a directive
Article 36 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. 'Undertaking active in the extractive industry' means the highest level parent company publishing accounts within the European Union where the group of companies for which that parent company prepares consolidated financial statements, includes subsidiarity companies, branches, permanent establishments, joint ventures and associates undertaking with any activity involving the exploration, discovery, development, extraction, processing, export, transportation of, or any significant activity related to minerals, oil and natural gas deposits, as referred to in Section B-Divisions 05 to 08 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council¹.

¹ OJ L 393, 30.12.2006, p.1.

Or. en

Amendment 170
Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Article 36 – paragraph 2

Text proposed by the Commission

Amendment

2. ‘Undertaking active in the logging of primary forests’ means an undertaking with activities as referred to in Section A-Division 2.2 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council, in primary forests.

deleted

Or. en

**Amendment 171
Alexandra Thein**

**Proposal for a directive
Article 36 – paragraph 2**

Text proposed by the Commission

Amendment

2. "Undertaking active in the logging of primary forests" means an undertaking with activities as referred to in Section A/Division 2.2 of Annex I to regulation (EC) No 1893/2006 of the European Parliament and of the Council, in primary forests.

deleted

Or. de

**Amendment 172
Eva Lichtenberger**

**Proposal for a directive
Article 36 – paragraph 3**

Text proposed by the Commission

Amendment

3. ‘Government’ means any national, regional or local authority of a Member State or of a third country. It includes a department, agency or undertaking controlled by that authority as laid down in

3. ‘Government’ means any national, regional or local authority of a Member State or of a third country. It includes a department, agency or undertaking controlled by that authority as laid down in

Article 23 (1) to (6) of this Directive.

Article 23 (1) to (6) of this Directive, *or any government entity that receives any payment of the type noted in Article 38 from any constituent member of an undertaking.*

Or. en

Amendment 173
Arlene McCarthy

Proposal for a directive
Article 36 – paragraph 3

Text proposed by the Commission

3. ‘Government’ means any national, regional or local authority of a Member State or of a third country. It includes a department, agency or undertaking controlled by that authority as laid down in Article 23 (1) to (6) of this Directive.

Amendment

3. ‘Government’ means any national, regional or local authority of a Member State or of a third country *that has granted the right of incorporation to, undertakes the regulation of, hosts a permanent establishment for taxation purposes of or receives any payment of the type noted in Article 38 from any constituent entity of an undertaking.* It includes a department, agency or undertaking controlled by that authority as laid down in Article 23 (1) to (6) of this Directive.

Or. en

Amendment 174
Marian Harkin

Proposal for a directive
Article 36 – paragraph 3

Text proposed by the Commission

3. ‘Government’ means any national, regional or local authority of a Member State or of a third country. It includes a department, agency or undertaking controlled by that authority as laid down in

Amendment

3. ‘Government’ means any national, regional or local authority of a Member State or of a third country. It includes a department, agency or undertaking controlled by that authority as laid down in

Article 23 (1) to (6) of this Directive.

Article 23 (1) to (6) of this Directive. ***This will guarantee EU citizens the same level of accountability that would be available to their counterparts globally.***

Or. en

Amendment 175
Nessa Childers

Proposal for a directive
Article 36 – paragraph 3

Text proposed by the Commission

3. ‘Government’ means any national, regional or local authority of a Member State ***or of a third country***. It includes a department, agency or undertaking controlled by that authority as laid down in Article 23 (1) to (6) of this Directive.

Amendment

3. ‘Government’ means any national, regional or local authority of a ***third country or an EU*** Member State. It includes a department, agency or undertaking controlled by that authority as laid down in Article 23 (1) to (6) of this Directive.

Or. en

Amendment 176
Alexandra Thein

Proposal for a directive
Article 36 – paragraph 4

Text proposed by the Commission

4. "Project" is equivalent to a specific operational reporting unit at the lowest level within the undertaking at which regular internal management reports are prepared to monitor its business.

Amendment

deleted

Or. de

Amendment 177
Eva Lichtenberger

Proposal for a directive
Article 36 – paragraph 4

Text proposed by the Commission

4. 'Project' is equivalent to *a specific operational reporting unit at the lowest level within the undertaking at which regular internal management reports are prepared to monitor its business.*

Amendment

4. 'Project' is equivalent to the *contract, licence, lease, concession or other legal agreement* which *gives rise to a company's tax and revenue liabilities in each country where it operates. Where any payment liabilities are incurred on a different basis, reporting shall be on that basis.*

Or. en

Amendment 178
Nessa Childers

Proposal for a directive
Article 36 – paragraph 4

Text proposed by the Commission

4. 'Project' is equivalent to a *specific operational reporting unit at the lowest level within the undertaking at which regular internal management reports are prepared to monitor its business.*

Amendment

4. 'Project' is equivalent to *any activity covered by a contract or legal agreement that gives rise to an obligation to make payments to a government.*

Or. en

Amendment 179
Arlene McCarthy

Proposal for a directive
Article 36 – paragraph 4

Text proposed by the Commission

4. 'Project' is equivalent to a *specific*

Amendment

4. *For undertakings active in the*

operational reporting unit at the lowest level within the undertaking at which regular internal management reports are prepared to monitor its business.

extractive industry or loggers of primary forests ‘project’ is equivalent to activities governed by a license, lease, concession or similar legal agreement. Where any payment liabilities are incurred on a different basis, reporting shall be on that basis.

Or. en

Amendment 180
Jiří Maštálka

Proposal for a directive
Article 36 – paragraph 4

Text proposed by the Commission

Amendment

4. ‘Project’ is equivalent to *a specific operational reporting unit at the lowest level within the undertaking at which regular internal management reports are prepared to monitor its business.*

4. ‘Project’ is equivalent to *extractive activities that are covered by a contract or legal agreement that gives rise to an obligation to make payments to a government.*

Or. en

Amendment 181
Marian Harkin

Proposal for a directive
Article 36 – paragraph 4

Text proposed by the Commission

Amendment

4. ‘Project’ *is* equivalent to *a specific operational reporting unit at the lowest level within the undertaking at which regular internal management reports are prepared to monitor its business.*

4. ‘Project’ *should be considered* equivalent to the *contract, licence, lease, concession or other legal agreement* which gives rise to *a company’s tax and revenue liabilities in each country where it operates. Where any payment liabilities are incurred on a different basis, reporting shall be on that basis.*

Or. en

Amendment 182
Monica Luisa Macovei

Proposal for a directive
Article 36 – paragraph 4

Text proposed by the Commission

4. ‘Project’ is equivalent to a specific operational reporting unit at the lowest level within the undertaking at which regular internal management reports are prepared to monitor its business.

Amendment

4. ‘Project’ is equivalent to a specific operational reporting unit at the lowest level within the undertaking at which regular internal management reports are prepared **for the board of directors** to monitor its business.

Or. en

Amendment 183
Eva Lichtenberger

Proposal for a directive
Article 36 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. ‘Constituent entities’ means those subsidiaries, associates, joint ventures, permanent establishments and other trading arrangements that shall in whole or in part be considered members of the undertaking to the extent that they are consolidated in the annual financial statements of that undertaking.

Or. en

Amendment 184
Françoise Castex

Proposal for a directive
Article 37 – paragraph 1

Text proposed by the Commission

1. Member States shall require large undertakings and all public interest entities ***active in the extractive industry or the logging of primary forests*** to prepare and make public a report on payments made to governments on an annual basis.

Amendment

1. Member States shall require large undertakings and all public interest entities to prepare and make public a report on payments made to governments ***and certain contextual information as defined in Article 38*** on an annual basis. ***The report shall include information concerning activities of subsidiaries, associates, joint ventures, permanent establishments and other trading arrangements to the extent that they are consolidated in the annual financial statements of the undertaking or entity in question. The report shall form part of the notes to the financial statements.***

Or. en

Amendment 185

Eva Lichtenberger

Proposal for a directive

Article 37 – paragraph 1

Text proposed by the Commission

1. Member States shall require large undertakings and all public interest entities ***active in the extractive industry or the logging of primary forests*** to prepare and make public a report on payments made to governments on an annual basis.

Amendment

1. Member States shall require large undertakings and all public interest entities to prepare and make public a report on payments made to governments ***and certain contextual information as defined in Article 38*** on an annual basis. ***The report shall form part of the notes to the financial statements.***

Or. en

Amendment 186

Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Article 37 – paragraph 1

Text proposed by the Commission

1. Member States shall require large undertakings and all public interest entities ***active in the extractive industry or the logging of primary forests*** to prepare and make public a report on payments made to governments ***on an annual basis***.

Amendment

1. Member States shall require large undertakings and all public interest entities to prepare and make public a report on payments made to governments ***as part of their annual financial statements***.

Or. en

Amendment 187
Dimitar Stoyanov

Proposal for a directive
Article 37 – paragraph 1

Text proposed by the Commission

1. Member States shall require large undertakings and all ***public interest*** entities ***active*** in the extractive industry or the logging of primary forests to prepare and make public a report on payments made to governments on an annual basis.

Amendment

1. Member States shall require large undertakings and all entities ***engaged in activities of benefit to the public*** in the extractive industry or the logging of primary forests to prepare and make public a report on payments, ***including payments in kind***, made to governments on an annual basis ***and including the information stipulated in Article 38 paragraphs 1 to 3***.

Or. bg

Amendment 188
Giuseppe Gargani

Proposal for a directive
Article 37 – paragraph 1

Text proposed by the Commission

1. Member States shall require large undertakings and all public interest entities

Amendment

1. Member States shall require large undertakings and all public interest entities

active in the extractive industry or the logging of primary forests to prepare and make public a report on payments made to governments *on an annual basis*.

active in the extractive industry or the logging of primary forests to prepare and make public a report on payments made to governments *relating to the extractive industry and forestry activities defined in Article 36*.

Or. it

Amendment 189
Alexandra Thein

Proposal for a directive
Article 37 – paragraph 1

Text proposed by the Commission

1. Member States shall require large undertakings and all public interest entities active in the extractive industry *or the logging of primary forests* to prepare and make public a report on payments made to governments on an annual basis.

Amendment

1. Member States shall require large undertakings and all public interest entities active in the extractive industry to prepare and make public a report on payments made to governments on an annual basis.

Or. de

Amendment 190
Dimitar Stoyanov

Proposal for a directive
Article 37 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Member States shall send the reports required under paragraph 1 of this Article to the Commission, in order to ensure that the public has access to them via a website set up and maintained by the Commission.

Or. bg

Justification

The internet is the most reliable means of ensuring full and transparent public access to information. Its potential must be tapped in order to achieve the Directive's aims with regard to public scrutiny of the enterprises in question.

Amendment 191
Giuseppe Gargani

Proposal for a directive
Article 37 a (new)

Text proposed by the Commission

Amendment

Article 37a

To ensure that the undertakings which are required to prepare reports on payments to governments under Chapter 9 of this Directive are not subject to multiple disclosure requirements or equivalent measures, the following shall apply:

(a) the Commission shall propose measures to facilitate the conclusion of mutual recognition agreements or exemption mechanisms with those third countries which require their extractive or forestry industries to publish reports that are comparable to those required under Chapter 9 of this Directive;

(b) where an undertaking has to report payments to the levels of government in a country which has adhered to the Extractive Industry Transparency Initiative (EITI), the undertaking shall be authorised to include in the report required pursuant to Article 37 the payment information provided for by the EITI disclosure requirements, for the purpose of complying with the provisions of this Directive.

Or. it

Amendment 192
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 1 – introductory part

Text proposed by the Commission

1. The report shall specify the following
*when material to the recipient
government:*

Amendment

1. The report shall specify the following:

Or. en

Amendment 193
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 1 – introductory part

Text proposed by the Commission

1. The report shall specify the following
*when material to the recipient
government:*

Amendment

1. The report shall specify the following:

Or. en

Amendment 194
Syed Kamall

Proposal for a directive
Article 38 – paragraph 1 – point a

Text proposed by the Commission

(a) the total amount of payments, including
payments in kind, made to each
government within a financial year;

Amendment

(a) the total amount of payments, including
payments in kind, made to each *level of*
government, *be that local, regional,*
national or federal within a financial year;

Or. en

Justification

The aim of this type of reporting is to enable citizens to see where their governments are receiving tax. Requiring companies to publish what they pay at different levels of government will be more effective at achieving the goal of revealing government corruption than reporting at project level.

Amendment 195
Giuseppe Gargani

Proposal for a directive
Article 38 – paragraph 1 – point a

Text proposed by the Commission

(a) the total amount of payments, including payments in kind, made to each government within a financial year;

Amendment

(a) the total amount of payments, including payments in kind, made to each **level of recipient** government, **be it federal, national, state, regional or local, as defined in Article 36 of this Directive**, within a financial year;

Or. it

Amendment 196
Syed Kamall

Proposal for a directive
Article 38 – paragraph 1 – point b

Text proposed by the Commission

(b) the total amount per type of payment, including payments in kind, made to each government within a financial year;

Amendment

(b) the total amount per type of payment, including payments in kind, made to each **level of government, be that local, regional, national or federal** within a financial year;

Or. en

Justification

The aim of this type of reporting is to enable citizens to see where their governments are receiving tax. Requiring companies to publish what they pay at different levels of government

will be more effective at achieving the goal of revealing government corruption than reporting at project level.

Amendment 197
Giuseppe Gargani

Proposal for a directive
Article 38 – paragraph 1 – point b

Text proposed by the Commission

(b) the total amount per type of payment, including payments in kind, made to each government within a financial year;

Amendment

(b) the total amount per type of payment, including payments in kind, made to each **level of recipient** government, **be it federal, national, state, regional or local, as defined in Article 36 of this Directive**, within a financial year;

Or. it

Amendment 198
Syed Kamall

Proposal for a directive
Article 38 – paragraph 1 – point c

Text proposed by the Commission

(c) where those payments have been attributed to a specific project the amount per type of payment, including payments in kind, made for each such project within a financial year, and the total amount of payments for each such project.

Amendment

deleted

Or. en

Justification

The aim of this type of reporting is to enable citizens to see where their governments are receiving tax. Requiring companies to publish what they pay at different levels of government will be more effective at achieving the goal of revealing government corruption than reporting at project level.

Amendment 199
Alexandra Thein

Proposal for a directive
Article 38 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) where those payments have been attributed to a specific project the amount per type of payment, including payments in kind, made for each such project within a financial year, and the total amount of payments for each such project. **deleted**

Or. de

Amendment 200
Giuseppe Gargani

Proposal for a directive
Article 38 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) where those payments have been attributed to a specific project the amount per type of payment, including payments in kind, made for each such project within a financial year, and the total amount of payments for each such project. **deleted**

Or. it

Amendment 201
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) where those payments have been attributed to a specific project the amount per type of payment, including payments in kind, made for each such project within a financial year, and the total amount of payments for each such project.

(c) for undertakings active in the extractive industry and the logging of primary forests and subject to the materiality threshold defined in paragraph 1a, where those payments have been attributed to a specific project, the amount per type of payment, including payments in kind, made for each such project within a financial year, and the total amount of payments for each such project;

Or. en

Justification

Amended to ensure materiality of payments concerning projects are judged in terms of the recipient country. A sensible threshold could be for a payment, or set of payments 50000 Euros. However, lower figures could be warranted and workable, as shown by the £10,000 threshold used by the Alternative Investment Market of the London Stock Exchange, where many extractive companies are listed.

Amendment 202
Françoise Castex

Proposal for a directive
Article 38 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) where those payments have been attributed to a specific project the amount per type of payment, including payments in kind, made for each such project within a financial year, and the total amount of payments for each such project.

(c) for undertakings active in the extractive industry and the logging of primary forests and subject to the materiality threshold defined in paragraph 1a, where those payments have been attributed to a specific project, the amount per type of payment, including payments in kind, made for each such project within a financial year, and the total amount of payments for each such project;

Or. en

Amendment 203
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) net turnover broken down by main categories of activity;

Or. en

Justification

This additional information is important to contextualise the information on payments made to government in order to compare undertakings' tax payments with their economic activity, which will enable the general public and tax authorities to better evaluate the undertakings' tax payments across different jurisdictions.

Amendment 204
Françoise Castex

Proposal for a directive
Article 38 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) net turnover broken down by categories of activity;

Or. en

Amendment 205
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 1 – point c b (new)

Text proposed by the Commission

Amendment

***(cb) production volumes broken down by
main categories of activity;***

Or. en

Amendment 206
Françoise Castex

Proposal for a directive
Article 38 – paragraph 1 – point c b (new)

Text proposed by the Commission

Amendment

***(cb) production volumes broken down by
categories of activity;***

Or. en

Amendment 207
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 1 – point c c (new)

Text proposed by the Commission

Amendment

***(cc) production cost with its associated
employee count;***

Or. en

Amendment 208
Françoise Castex

Proposal for a directive
Article 38 – paragraph 1 – point c c (new)

Text proposed by the Commission

Amendment

***(cc) production cost with its associated
employee count;***

Or. en

**Amendment 209
Eva Lichtenberger**

**Proposal for a directive
Article 38 – paragraph 1 – point c d (new)**

Text proposed by the Commission

Amendment

(cd) total cash cost of operations;

Or. en

**Amendment 210
Françoise Castex**

**Proposal for a directive
Article 38 – paragraph 1 – point c d (new)**

Text proposed by the Commission

Amendment

(cd) total cash cost of operations;

Or. en

**Amendment 211
Eva Lichtenberger**

**Proposal for a directive
Article 38 – paragraph 1 – point c e (new)**

Text proposed by the Commission

Amendment

***(ce) fixed production assets at year-end
with associated accumulated depreciation;***

Amendment 212
Françoise Castex

Proposal for a directive
Article 38 – paragraph 1 – point c e (new)

Text proposed by the Commission

Amendment

*(ce) fixed production assets at year-end
with associated accumulated depreciation;*

Or. en

Amendment 213
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 1 – point c f (new)

Text proposed by the Commission

Amendment

*(cf) net profit and loss before tax with
associated cash and deferred tax on an
accrual basis.*

Or. en

Amendment 214
Françoise Castex

Proposal for a directive
Article 38 – paragraph 1 – point c f (new)

Text proposed by the Commission

Amendment

*(cf) net profit and loss before tax with
associated cash and deferred tax on an
accrual basis.*

Or. en

Amendment 215
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The information referred to in paragraph 1 shall be disclosed on a country basis except for that referred to in point (c), which shall be disclosed on a project basis provided the total payments attributed to a specific project exceed EUR 100 000.

Or. en

Amendment 216
Françoise Castex

Proposal for a directive
Article 38 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The information referred to in paragraph 1 shall be disclosed on a country basis except for that referred to in point (c), which shall be disclosed on a project basis provided the total payments attributed to a specific project exceed EUR 100 000.

Or. en

Amendment 217
Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Article 38 – paragraph 2 – introductory part

Text proposed by the Commission

2. The following types of payments shall be reported:

Amendment

2. The following types of payments ***and information*** shall be reported:

Or. en

Amendment 218

Cecilia Wikström, Rebecca Taylor, Sharon Bowles

Proposal for a directive

Article 38 – paragraph 2 – point b

Text proposed by the Commission

(b) taxes ***on profits***;

Amendment

(b) taxes, ***levies and administrative fees, as well as the effective rate applied***;

Or. en

Amendment 219

Eva Lichtenberger

Proposal for a directive

Article 38 – paragraph 2 – point b

Text proposed by the Commission

(b) taxes on profits;

Amendment

(b) taxes on profits ***and the effective tax rate applied***;

Or. en

Amendment 220

Françoise Castex

Proposal for a directive

Article 38 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) taxes on profits;

(b) taxes on profits ***and the effective tax rate applied;***

Or. en

Amendment 221

Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive

Article 38 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) profit before tax;

Or. en

Amendment 222

Eva Lichtenberger

Proposal for a directive

Article 38 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) royalties;

(c) royalties ***and the effective tax rate applied;***

Or. en

Amendment 223

Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive

Article 38 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) quantities produced;

Or. en

Amendment 224
Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Article 38 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(ea) total number of people employed;

Or. en

Amendment 225
Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Article 38 – paragraph 2 – point e b (new)

Text proposed by the Commission

Amendment

(eb) employees aggregate remuneration;

Or. en

Amendment 226
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 2 – point f

Text proposed by the Commission

Amendment

(f) licence fees, rental fees, entry fees and other considerations for licences and/or concessions;

(f) licence fees, rental fees, ***pipeline transit fees***, entry fees and other considerations for licences and/or concessions;

Or. en

Amendment 227
Cecilia Wikström, Rebecca Taylor, Sharon Bowles

Proposal for a directive
Article 38 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

*(fa) payments for having broken the law,
such as environmental and remediation
liabilities;*

Or. en

Amendment 228
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

*(fa) payments to state security forces for
security services;*

Or. en

Amendment 229
Françoise Castex

Proposal for a directive
Article 38 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

*(fa) payments to state security forces for
security services;*

Or. en

Amendment 230
Cecilia Wikström, Rebecca Taylor, Sharon Bowles

Proposal for a directive
Article 38 – paragraph 2 – point f b (new)

Text proposed by the Commission

Amendment

(fb) payments to government security forces;

Or. en

Amendment 231
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 2 – point f b (new)

Text proposed by the Commission

Amendment

(fb) taxes on land and buildings;

Or. en

Amendment 232
Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Article 38 – paragraph 2 – point f c (new)

Text proposed by the Commission

Amendment

(fc) expenditure on fixed asset investment;

Or. en

Amendment 233
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 2 – point f c (new)

Text proposed by the Commission

Amendment

(fc) withholding taxes;

Or. en

Amendment 234
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 2 – point f d (new)

Text proposed by the Commission

Amendment

(fd) import and export levies and taxes;

Or. en

Amendment 235
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 2 – point f e (new)

Text proposed by the Commission

Amendment

(fe) consumption-based taxes;

Or. en

Amendment 236
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 2 – point f f (new)

Text proposed by the Commission

Amendment

(ff) payments for violations of law such as environmental and remediation liabilities;

Amendment 237
Giuseppe Gargani

Proposal for a directive
Article 38 – paragraph 2 – point g

Text proposed by the Commission

(g) other *direct benefits to the government concerned.*

Amendment

(g) other *payments to governments that are commonly considered to be part of the flow of revenue for the commercial development of the oil, gas, mineral resources and forestry sectors.*

Or. it

Amendment 238
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 3

Text proposed by the Commission

3. Where payments in kind are made to a government, they shall be reported in value *or* in volume. Where they are reported in terms of value, supporting notes shall be provided to explain how their value has been determined.

Amendment

3. Where payments in kind are made to a government, they shall be reported in value *and* in volume. Where they are reported in terms of value, supporting notes shall be provided to explain how their value has been determined.

Or. en

Amendment 239
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 3

Text proposed by the Commission

3. Where payments in kind are made to a government, they shall be reported in value **or** in volume. Where they are reported in terms of value, supporting notes shall be provided to explain how their value has been determined.

Amendment

3. Where payments in kind are made to a government, they shall be reported in value **and** in volume. Where they are reported in terms of value, supporting notes shall be provided to explain how their value has been determined.

Or. en

Amendment 240
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The report shall further specify:

- (a) all those governments to which the undertaking might make payment;**
- (b) a list of those constituent entities of the undertaking that might make payment as defined in this Article to each government whether or not such payments do actually arise;**
- (c) a list of projects that might make payment as defined in this Article to each government whether or not such payments do actually arise.**

Or. en

Justification

To require disclosure of entities and projects by location whether or not payment is made.

Amendment 241
Cecilia Wikström, Rebecca Taylor, Sharon Bowles

Proposal for a directive
Article 38 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Payments shall be disclosed if any one payment or set of payments of the same type amount to more than EUR 100 000.

Or. en

Amendment 242
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 4

Text proposed by the Commission

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 42 in order to specify the concept of materiality of payments. ***deleted***

Or. en

Justification

Materiality is defined in preceding amendments, no need for delegated act

Amendment 243
Cecilia Wikström, Rebecca Taylor, Sharon Bowles

Proposal for a directive
Article 38 – paragraph 4

Text proposed by the Commission

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 42 in order to specify the concept of materiality of payments. ***deleted***

Amendment 244
Françoise Castex

Proposal for a directive
Article 38 – paragraph 4

Text proposed by the Commission

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 42 in order to specify the concept of materiality of payments.

deleted

Or. fr

Amendment 245
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 4

Text proposed by the Commission

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 42 in order to *specify* the *concept* of materiality of payments.

4. *Payments shall be considered material if any one payment or set of payments of the same type amount to more than 15 000 EUR.* The Commission shall be empowered to adopt delegated acts in accordance with Article 42 in order to *evaluate* the materiality of payments. ***A payment is deemed material if it has a significant impact on a country's economy or society on a local, regional or national level. The Commission shall ensure that rules shall be put in place to ensure that thresholds cannot be circumvented.***

Or. en

Amendment 246
Giuseppe Gargani

Proposal for a directive
Article 38 – paragraph 4

Text proposed by the Commission

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 42 in order to specify the concept of materiality of payments.

Amendment

4. In order to meet the objectives of Chapter 9 of this Directive, undertakings shall report on payments in the carry-over currency.

A disclosure threshold of USD 1 million shall be applied for payments made to the same level of government for the same type of tax.

Where an undertaking makes more than one payment to the same level of government for the same tax in a given period, such payments shall be aggregated before the disclosure threshold is applied.

Or. it

Amendment 247
Eva Lichtenberger

Proposal for a directive
Article 38 – paragraph 5

Text proposed by the Commission

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is clearly prohibited by the criminal legislation of that country. In such cases the undertaking shall state that it has not reported payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

Amendment

deleted

Or. en

Amendment 248
Nessa Childers

Proposal for a directive
Article 38 – paragraph 5

Text proposed by the Commission

Amendment

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is clearly prohibited by the criminal legislation of that country. In such cases the undertaking shall state that it has not reported payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

deleted

Or. en

Amendment 249
Arlene McCarthy

Proposal for a directive
Article 38 – paragraph 5

Text proposed by the Commission

Amendment

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is clearly prohibited by the criminal legislation of that country. In such cases the undertaking shall state that it has not reported payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

deleted

Or. en

Amendment 250
Monica Luisa Macovei

Proposal for a directive
Article 38 – paragraph 5

Text proposed by the Commission

Amendment

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is clearly prohibited by the criminal legislation of that country. In such cases the undertaking shall state that it has not reported payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

deleted

Or. en

Amendment 251
Dimitar Stoyanov

Proposal for a directive
Article 38 – paragraph 5

Text proposed by the Commission

Amendment

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is clearly prohibited by the criminal legislation of that country. In such cases the undertaking shall state that it has not reported payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

deleted

Or. bg

Amendment 252
Marian Harkin

**Proposal for a directive
Article 38 – paragraph 5**

Text proposed by the Commission

Amendment

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is clearly prohibited by the criminal legislation of that country. In such cases the undertaking shall state that it has not reported payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

deleted

Or. en

**Amendment 253
Cecilia Wikström, Rebecca Taylor, Sharon Bowles**

**Proposal for a directive
Article 38 – paragraph 5**

Text proposed by the Commission

Amendment

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is clearly prohibited by the criminal legislation of that country. In such cases the undertaking shall state that it has not reported payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

deleted

Or. en

**Amendment 254
Giuseppe Gargani**

Proposal for a directive
Article 38 – paragraph 5

Text proposed by the Commission

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is **clearly** prohibited by the **criminal** legislation of that country. In such **cases** the undertaking shall state that it has not **reported** payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

Amendment

5. The report shall exclude any type of payments made to a government in a country where the public disclosure of this type of payment is prohibited by the legislation **or the rules or contracts drawn up with the administrative authorities** of that country. In **case of such restrictions**, the undertaking shall state that it has not **disclosed** payments in accordance with paragraphs 1 to 3, and shall disclose the name of the government concerned.

Or. it

Amendment 255
Eva Lichtenberger

Proposal for a directive
Article 39 – paragraph 1

Text proposed by the Commission

1. A Member State shall require any large undertaking or any public interest entity active **in the extractive industry or the logging of primary forests and** governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Amendment

1. A Member State shall require any large undertaking or any public interest entity active governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Or. en

Amendment 256
Françoise Castex

Proposal for a directive
Article 39 – paragraph 1

Text proposed by the Commission

1. A Member State shall require any large undertaking or any public interest entity ***active in the extractive industry or the logging of primary forests and*** governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Amendment

1. A Member State shall require any large undertaking or any public interest entity governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Or. en

Amendment 257
Sharon Bowles, Cecilia Wikström, Rebecca Taylor

Proposal for a directive
Article 39 – paragraph 1

Text proposed by the Commission

1. A Member State shall require any large undertaking or any public interest entity ***active in the extractive industry or the logging of primary forests and*** governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Amendment

1. A Member State shall require any large undertaking or any public interest entity governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Or. en

Amendment 258
Alexandra Thein

Proposal for a directive
Article 39 – paragraph 1

Text proposed by the Commission

1. A Member State shall require any large undertaking or any public interest entity active in the extractive industry ***or the logging of primary forests*** and governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Amendment

1. A Member State shall require any large undertaking or any public interest entity active in the extractive industry and governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Or. en

Amendment 259
Giuseppe Gargani

Proposal for a directive
Article 39 – paragraph 1

Text proposed by the Commission

1. A Member State shall require any large undertaking or any public interest entity active in the extractive industry ***or the logging of primary forests*** and governed by its national law to draw up a consolidated report on payments to governments in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Amendment

1. A Member State shall require any large undertaking or any public interest entity active in the extractive ***or forestry*** industry and governed by its national law to draw up a consolidated report on payments ***made to governments by such undertakings and public interest entities and by subsidiaries or entities under the control of that undertaking or public interest entity*** in accordance with Articles 37 and 38 if that parent undertaking is under the obligation to prepare consolidated financial statements as laid down in Article 23(1) to 23(6) of this Directive.

Amendment 260
Arlene McCarthy

Proposal for a directive
Article 39 – paragraph 3

Text proposed by the Commission

Amendment

3. An undertaking need not be included in a consolidated report on payments to government where at least one of the following conditions is fulfilled: *deleted*

(a) severe long-term restrictions substantially hinder the parent undertaking in the exercise of its rights over the assets or management of that undertaking;

(b) the information necessary for the preparation of the consolidated report on payments to government in accordance with this Directive cannot be obtained without disproportionate expense or undue delay.

Amendment 261
Eva Lichtenberger

Proposal for a directive
Article 39 – paragraph 3 – introductory part

Text proposed by the Commission

Amendment

3. An undertaking need not be included in a consolidated report on payments to government where at least one of the following conditions is fulfilled:

3. An undertaking need not be included in a consolidated report on payments to government where at least one of the following conditions is fulfilled, *provided that the financial statements of the constituent entity making the payment are also excluded from the consolidated*

financial statements for the period to which the report relates, but not otherwise:

Or. en

Amendment 262
Eva Lichtenberger

Proposal for a directive
Article 40 – paragraph 1

Text proposed by the Commission

The report referred to in Article 37 and the consolidated report referred to in Article 39 on payments to governments shall be published as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC.

Amendment

The report referred to in Article 37 and the consolidated report referred to in Article 39 on payments to governments shall be published as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC. ***In addition, ESMA shall compile the data for public access on the basis of the public reports referred to in Article 37 and Article 39. The information will be available online and electronically tagged by key analytical categories.***

Or. en

Amendment 263
Eva Lichtenberger

Proposal for a directive
Article 41 – paragraph 1

Text proposed by the Commission

The Commission shall review and report on the implementation and effectiveness of this Chapter, in particular as regards the scope of the reporting obligations and the modalities of the reporting on a project basis. The review should also take into account international developments and

Amendment

The Commission shall review and report on the implementation and effectiveness of this Chapter, in particular as regards the scope of the reporting obligations and the modalities of the reporting on a project basis. The review should also take into account international developments and

consider the effects on competitiveness and security of energy supply. It should be completed at the latest *five* years after the date of entry into force of this Directive. The report shall be submitted to the European Parliament and the Council, together with a legislative proposal, if appropriate.

consider the effects on competitiveness and security of energy supply. It should *also consider whether the reporting obligations for undertakings which are active in the extractive industry or logging of primary forests should be extended to the fishery industry. The review should be* completed at the latest *four* years after the date of entry into force of this Directive. The report shall be submitted to the European Parliament and the Council, together with a legislative proposal, if appropriate.

Or. en

Amendment 264
Arlene McCarthy

Proposal for a directive
Article 41 – paragraph 1

Text proposed by the Commission

The Commission shall review and report on the implementation and effectiveness of this Chapter, in particular as regards the scope of the reporting obligations and the modalities of the reporting on a project basis. The review should also take into account international developments *and consider the effects on competitiveness and security of energy supply.* It should be completed at the latest *five years* after the date of entry into force of this Directive. The report shall be submitted to the European Parliament and the Council, together with a legislative proposal, if appropriate.

Amendment

The Commission shall review and report on the implementation and effectiveness of this Chapter, in particular as regards the scope of the reporting obligations and the modalities of the reporting on a project basis. The review should also take into account international developments, *progress towards global standards in this area and report on the impact of this legislation on third countries, in particular in achieving the objectives of enhanced transparency of payments to governments.* It should be completed at the latest *two years* after the date of entry into force of this Directive. The report shall be submitted to the European Parliament and the Council, together with a legislative proposal, if appropriate.

Or. en

Amendment 265
Giuseppe Gargani

Proposal for a directive
Article 41 – paragraph 1

Text proposed by the Commission

The Commission shall review and report on the implementation and effectiveness of this Chapter, in particular as regards the scope of the reporting ***obligations and*** the modalities of the reporting on a project basis. The review should also take into account international developments and consider the effects on competitiveness and security of energy supply. It should be completed at the latest ***five*** years after the date of entry into force of this Directive. The report shall be submitted to the European Parliament and the Council, ***together with*** a legislative proposal, if appropriate.

Amendment

The Commission shall review and report on the implementation and effectiveness of this Chapter, in particular as regards ***the costs and benefits the transparency requirements involve and*** the scope of the reporting ***requirements, including*** the modalities of the reporting on a project basis. The review should also take into account international developments and consider the effects on competitiveness and ***on the*** security of energy supply ***for European industry***. It should be completed at the latest ***three*** years after the date of entry into force of this Directive. The report shall be submitted to the European Parliament and the Council, ***accompanied by*** a legislative proposal, if appropriate.

Or. it

Amendment 266
Françoise Castex

Proposal for a directive
Article 42

Text proposed by the Commission

Article 42

Exercise of delegated powers

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The delegation of power referred to in Article 1(2), Article 3(10) and Article 38(4) shall be conferred on the Commission for an indetermined period

Amendment

deleted

of time from the date referred to in Article 50.

3. The delegation of power referred to in Article 1(2), Article 3(10) and Article 38(4) may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 1(2), Article 3(10) and Article 38(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Or. fr

Amendment 267
Arlene McCarthy

Proposal for a directive
Article 42 – paragraph 5

Text proposed by the Commission

Amendment

5. A delegated act adopted pursuant to Article 1(2), Article 3(10) and Article

5. A delegated act adopted pursuant to Article 1(2), Article 3(10) and Article

38(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of *two months* of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by *two months* at the initiative of the European Parliament or the Council.

38(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of *three months* of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by *three months* at the initiative of the European Parliament or the Council.

Or. en