

# EUROPEAN PARLIAMENT

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*Committee on Economic and Monetary Affairs*

**2007/2254(INI)**

28.2.2008

## **OPINION**

of the Committee on Economic and Monetary Affairs

for the Committee on Legal Affairs

on a simplified business environment for companies in the areas of company law, accounting and auditing  
(2007/2254(INI))

Draftswoman(\*): Ieke van den Burg

(\*): Procedure with associated committees – Rule 47 of the Rules of Procedure

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## SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Recalling its resolution on international financial reporting standards (IFRS) and the governance of the International Accounting Standards Board<sup>1</sup>, in which Parliament presented its views on the situation of SMEs in the European Union as regards the IFRS;
2. Supports simplifying company law, especially in the interests of SMEs, but emphasises that such simplification must be balanced against the interests of all stakeholders, including investors, owners, creditors, employees and public authorities; stresses that simplification must not erode those stakeholders' legal rights;
3. Stresses that, in the context of the simplification procedure, to the extent that this requires existing measures to be overturned, it is necessary to carry out a case-by-case study and submit proposals based on detailed, neutral, in-depth impact assessments, in particular targeting medium, small and micro enterprises, with a view to achieving the objective of simplification while ensuring legal certainty and maintaining the Community *acquis* throughout the internal market and ensuring consistency with the harmonisation processes now in place with regard to financial reporting and auditing;
4. Recommends coordination between the Member State tax authorities in order to standardise the information requested of enterprises with a view to simplifying matters;
5. Supports the simplification of accounting rules for non-listed companies, but is keen on keeping transparency requirements for all limited liability companies; suggests that exemptions for SMEs and micro-entities should focus on reducing administrative burdens and costs but should not jeopardise justifiable information needs and access to finance opportunities; encourages sharing of best practices on simplification and the implementation of EU rules;
6. Stresses that the reduction of administrative burdens should be achieved through modernising the rules on publication and by making use of electronic distribution channels;
7. Takes the view that the establishment of a Common Consolidated Corporate Tax Base would render the European company statute more useful and effective;
8. Welcomes the Commission's proposal on simplifying the procedure for adapting thresholds; suggests that transition periods for companies' reporting requirements exceeding size thresholds be at least two years; urges that similar transition periods be introduced for companies changing legal status (for example, when a listed company is delisted or changes from a limited liability to an unlimited liability status) to ensure that for at least two years after the change comparable data have to be published;

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<sup>1</sup> A6-0032/2008.

9. Highlights the relevance of the Transparency Directive<sup>1</sup> but asks the Commission to review whether its implementation has led to 'gold plating' by Member States;
10. Underlines that 2006 amendments to EU-accounting rules require, inter alia, a corporate governance statement and improved disclosure of off-balance sheet arrangements by listed companies; recalls that the transposition deadline of those rules is 5 September 2008; encourages Member States' early application of the rules; asks the Commission to engage with the IASB to improve financial statement information on off-balance sheet vehicles further;
11. Agrees that it should be made easier for companies to register and to prepare, file and publish statutory information; recommends that the preparation, filing and publication of statutory information should be effected electronically by way of an interoperable Business Register; strongly promotes the use of new technology such as XBRL; emphasises that such information should be easily accessible for investors, creditors, employees and public authorities throughout the European Union;
12. Considers that deferred tax entries on the balance sheet are a disproportionate burden on SMEs and provide no information of recognisable value to those reading the annual accounts; therefore proposes their abolition, provided that indications on possible deferred tax obligations remain part of the declarations of the auditors;
13. Recommends the application of the 'once-only' principle so that enterprises do not have to provide the same information more than once or to more than one recipient;
14. Recommends that consultations be held on the necessity and possibility of creating an accounting and audit services regulator.

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<sup>1</sup> Directive 2001/34/EC of the European Parliament and of the Council of 28 May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities (OJ L 184, 6.7.2001, p. 1).

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	26.2.2008
<b>Result of final vote</b>	+ : 41 - : 1 0 : 1
<b>Members present for the final vote</b>	Gabriele Albertini, Mariela Velichkova Baeva, Pervenche Berès, Slavi Binev, Sebastian Valentin Bodu, Sharon Bowles, Udo Bullmann, Manuel António dos Santos, Christian Ehler, Elisa Ferreira, Jean-Paul Gauzès, Robert Goebbels, Donata Gottardi, Gunnar Hökmark, Karsten Friedrich Hoppenstedt, Sophia in 't Veld, Othmar Karas, Piia-Noora Kauppi, Wolf Klinz, Christoph Konrad, Guntars Krasts, Kurt Joachim Lauk, Astrid Lulling, Gay Mitchell, Cristobal Montoro Romero, Lapo Pistelli, John Purvis, Alexander Radwan, Bernhard Rapkay, Dariusz Rosati, Eoin Ryan, Antolín Sánchez Presedo, Olle Schmidt, Peter Skinner, Margarita Starkevičiūtė, Ieke van den Burg, Cornelis Visser, Sahra Wagenknecht
<b>Substitute(s) present for the final vote</b>	Harald Ettl, Werner Langen, Thomas Mann, Gianni Pittella, Bilyana Ilieva Raeva
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	