



European Communities

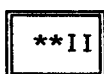
EUROPEAN PARLIAMENT

SESSION DOCUMENTS

English Edition

2 October 1990

A3-0242/90



RECOMMENDATION

of the Committee on Legal Affairs and Citizens' Rights

on the COMMON POSITION established by the Council with a view to the adoption of a directive amending Directive 78/660/EEC on annual accounts and Directive 83/349/EEC on consolidated accounts as concern the exemptions on small and medium-sized companies and the publication of accounts in ECUs
(C3-0201/90 - SYN 158)

Rapporteur: Mr Manuel GARCIA AMIGO

(29/90) CK/cn

DOC_EN\RR\96125

PE 143.471/fin.

Or. FR

A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)

* = Consultation procedure requiring a single reading

**II = Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment

**I = Cooperation procedure (first reading)

*** = Parliamentary assent which requires the votes of a majority of the current Members of Parliament

C O N T E N T S

| | <u>Page</u> |
|------------------------------------|-------------|
| Procedural page | 3 |
| A. RECOMMENDATION | 4 |
| B. EXPLANATORY STATEMENT | 5 |

At its sitting of 25 May 1989 the European Parliament delivered its opinion at first reading on the Commission proposal for a Council directive amending Directive 78/660/EEC on annual accounts and Directive 83/349/EEC on consolidated accounts as concern the exemptions on small and medium-sized companies and the publication of accounts in ECUs.

At the sitting of 12 July 1990 the President of Parliament announced that the common position had been received and referred to the Committee on Legal Affairs and Citizens' Rights as the committee responsible and to the Committee on Economic and Monetary Affairs and Industrial Policy for its opinion.

At its meeting of 19 September 1990 the Committee on Legal Affairs and Citizens' Rights appointed Mr García Amigo rapporteur. The Committee on Economic and Monetary Affairs and Industrial Policy decided not to deliver an opinion.

At its meeting of 26, 27 and 28 September the Committee on Legal Affairs and Citizens' Rights considered the common position and the draft recommendation. It adopted the following recommendation by 11 votes to 2, with 1 abstention.

The following were present for the vote: Stauffenberg, chairman; Vayssade and Rothley, vice-chairmen; Garcia Amigo, rapporteur; Bontempi, Falconer, Ferri, Gollnisch, Grund, Inglewood, Malangré, Marques Mendes, Mebrak-Zaidi, Medina Ortega and Verde i Aldea.

This recommendation was tabled on 1 October 1990.

The deadline for tabling amendments to the common position or proposals to reject it will appear in the draft agenda for the part-session at which the recommendation is to be considered.

A
RECOMMENDATION

(Cooperation procedure: second reading)

on the common position adopted by the Council with a view to the adoption of a directive amending Directive 78/660/EEC on annual accounts and Directive 83/349/EEC on consolidated accounts as concern the exemptions on small and medium-sized companies and the publication of accounts in ECUs (COM(88) 292 final¹ and COM(89) 561 final²)

The Committee on Legal Affairs and Citizens' Rights,

- having regard to the common position of the Council (C3-0201/90 - SYN 158),

Recommends that the European Parliament amend the common position as follows:

Common position of the Council

Amendments

(Amendment No. 1)
Article 4

The following paragraph is hereby Deleted
added to Article 43 of Directive
78/660/EEC:

"3. Member States may waive the requirement to provide the information referred to in paragraph 1.12 where such information makes it possible to identify the position of a specific member of such a body."

¹ OJ No. C 287, 11.11.1988, p.5

² OJ No. C 318, 20.12.1989, p.12

B
EXPLANATORY STATEMENT

1. Adoption of the common position of the Council follows the Commission's submission of a modified proposal for a directive (COM(89) 561 final - SYN 158 - OJ No. C 318, 20 December 1989, p. 12), after Parliament had adopted the Lafuente Lopez report, A2-108/89, on 25 May 1989. In its modified proposal the Commission incorporated a number of amendments adopted by Parliament, the position of which strongly supported the Commission's ideas.

2. The proposal for a directive sought to establish a more favourable régime for small and medium-sized undertakings, for which Articles 11 and 27 of Directive 78/660/EEC (OJ No. L 222, 14.8.1978, p. 11) had already laid down a number of specific rules. To this end the Commission adopted a qualitative approach, exempting from the scope of Directive 78/660/EEC undertakings which were covered by Article 11 of this directive but also fulfilled certain conditions listed in Article 1 of the proposal for a directive (C2-206/88-COM(88) 292 final). The Commission also proposed to require Member States to allow small businesses to benefit from the derogations contained in Directive 78/660/EEC. This was the aim behind Articles 3, 6, 9 and 12 of its proposal.

3. The Council's approach in its common position is a different one: it takes a quantitative line, consisting mainly of simply amending the figures in Articles 11 and 27 of Directive 78/660/EEC. Essentially all the Council has done is to arrange for a coordinated raising of the thresholds contained in these articles, by applying the provisions of Article 53(2) of Directive 78/660/EEC. In this way a larger number of small businesses would automatically be exempted from the requirements laid down in Directive 78/660/EEC.

4. In fact the Council has decided, by a large majority, not to adopt

- either the proposal to exclude certain small companies, especially family businesses of a closed nature, from the scope of Directive 78/660/EEC,
- or the proposal to make the exemptions provided by the directive compulsory for small companies.

It seems that in practice - and this is the Council's argument - 'there have not been any particular problems in applying the Fourth Directive to small companies'; and that 'efficient accounting [is] held to be an essential tool for sound business management and an invaluable safeguard for third parties' (see common position of the Council C3-0201/90, the Council's reasons, p. 3).

5. Apart from this different approach, however, it should be recognized that - even with its more limited scope - the objective of special treatment for small companies is also fulfilled by raising the thresholds laid down in Directive 78/660/EEC.

The Council has, moreover, adopted a fairly large number of changes to Directive 78/660/EEC as proposed by the Commission. This applies to Articles 43, 44, 46, part of Article 47, and finally to the addition of a new Article 50a to the directive in question.

6. The Committee on Legal Affairs and Citizens' Rights has decided, in the light of these developments, to maintain only one of its amendments, concerning the deletion of new paragraph 3 which was to be added to Article 43 of Directive 78/660/EEC. It should be noted that the Commission and Council have only partially incorporated the amendment in question as it was adopted at first reading (see Amendment No. 1).

7. Finally, with regard to the changes to Article 38 of Directive 83/349/EEC (OJ No. L 193, 18.7.1983, p. 1), the Council has accepted those proposed by the Commission, particularly the addition of a new Article 38a providing for the possibility of drawing up and publishing consolidated accounts in ECU. However the Council has insisted on maintaining the requirement to draw up and publish consolidated accounts in 'the currency in which they were drawn up' as well.

