

Think Ahead

**ACCA**

# Perspectives on EU accounting changes

Richard Martin  
11 December  
2015

# ACCA

- **Global body for professional accountants**
- **178,000 members and 455,000 students**
- **In 181 countries served by 92 offices and centres**
- **IFRS in the professional qualification since 1996**
- **Diploma and Certificate in IFRS**
- **Certificate in IFRS for SMEs**
- **Certificate in IPSAS**

# Accounting Directive

- **To be in member state law by July 2015**
- **for companies to use from 2016**
- **EFAA study of 5 member states**
- **Germany, Spain, Netherlands, UK and Portugal**

# Accounting Directive – key elements

- **Country-by-country reporting for the extractive industries**
- **New thresholds for small, medium and large**
- **Including for audit**
- **Micro regime option**
- **Maximum harmonisation of disclosures by small**
- **Member state options on accounting issues**

# Implementation in 5 member states

- 4 have implemented, 1 has not
- Micro regime in all based on EU thresholds (€700k, €350 and 10 employees) but 1 has gone for partial accruals approach
- Small company threshold – 3 have gone for maximum (€12m of income, €6 m of assets) and 1 for minimum (€8 m etc.)
- Audit for small companies in 1
- Filing deadlines – little change

# Implementation in 5 member states

- **Maximum harmonisation of small company disclosures – 5 extra**
- **Name of consolidating company, fixed asset movements, off balance sheet arrangements, related party transactions, post balance sheet events**
- **2 added all of these**
- **UK concerns on change in equity and going concern**
- **Member state options on accounting issues**
- **Out of 15 looked at – 3 were chosen the same way, but 12 done differently**

# Accounting Directive - conclusions

- **Little progress on harmonisation of accounting**
- **Confirmed by another comparison – trickle down effect of IFRS**
- **Reduced information for small and micro companies**

# Non-financial reporting

- **EU Directive – for large listed companies**
- **Certain topics to be included in annual reports if relevant**
- **Environmental**
- **Social and employee issues**
- **Human rights**
- **Anti-corruption and bribery**
- **Gender diversity**
- **Policies, risks and outcomes for each**



Think Ahead

**ACCA**

Thank you

Richard Martin

richard.martin@  
accaglobal.com