

Transposition of the European Accountancy Directive



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The transposition of the European Accountancy Directive into the Companies Code and its implementation decree by an Act of 18 December 2015 has several important consequences for the obligations of companies with respect to their annual accounts. As set out below, the formalities will be simplified for numerous companies and the costs will decrease.

1. Change of the thresholds between large and small companies

The distinction between large and small companies is of importance for the use of the full model or abbreviated model of the annual accounts, the obligation to draft an annual report, the obligation to appoint a statutory auditor, as well as for several fiscal provisions.

(a) The criteria increase

A small company cannot exceed more than one out of three criteria, which are now as follows:

- Yearly turnover: 9,000,000 EUR (instead of 7,300,000 EUR)
- Balance sheet total: 4,500,000 EUR (instead of 3,650,000 EUR)
- Yearly average of staff: 50 (unchanged)

The rule which provides that a company with more than 100 members of staff can never be qualified as a small company has been abolished.

(b) The deferred effect changes

As of now, either exceeding or not exceeding more than one of the criteria will only bear consequences when this occurs during two consecutive financial years. Furthermore, the consequences shall only have effect as of the following financial year.

(c) When must the criteria be evaluated on a consolidated base?

Previously, all companies which were associated with other companies had to evaluate the criteria on a consolidated base. As of now, this is only applicable to parent companies (i.e. a company which controls another company), companies which form a consortium, and companies incorporated with the sole purpose of avoiding the reporting of certain information. Please note that when a distinction is made from a fiscal point of view between small and large companies, the associated companies must still evaluate the criteria on a consolidated basis.

2. The micro company

(a) A new category

Besides the large and small companies, there are now also micro companies. They need to draft their annual accounts according to the simplified micro model. Furthermore, the filing costs of these annual accounts are lower.

(b) Criteria

A micro company may not exceed more than one of the three following criteria:

- Yearly turnover: 700,000 EUR
- Balance sheet total: 350,000 EUR
- Yearly average of staff: 10

Furthermore, it may not be a subsidiary or parent company of another company.

3. The annual accounts and additional documents - filing costs

As a result of the new provisions of the implementation decree of the Companies Code, several changes are made to the content and the structure of the annual accounts.

Furthermore, the number of documents which must be filed together with the annual accounts with the National Bank of Belgium is extended. E.g., as from now, a list of the undertakings in which the company has an interest must be filed.

Lastly, the filing costs will decrease, partly because of the cancellation of the recording of the filing in the annexes to the Belgian Official Gazette.

4. Group of companies

The criteria for qualification as a small group (henceforth called 'a group of limited size'), which is exempted from drafting consolidated annual accounts, have been increased as well. Such a group may not exceed more than one of three criteria, which are now as follows:

- Yearly turnover: 34,000,000 EUR
- Balance sheet total: 17,000,000 EUR
- Yearly average of staff: 250

5. Entry into force

The new rules apply for the financial years starting after 31 December 2015. There is an exception for the new rules with respect to the deferred effect, which do not apply for the first financial year starting after 31 December 2015.