

Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (Text with EEA relevance)

CHAPTER 6

CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS

Article 23

Exemptions from consolidation

- 1 Small groups shall be exempted from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public-interest entity.
- 2 Member States may exempt medium-sized groups from the obligation to draw up consolidated financial statements and a consolidated management report, except where any affiliated undertaking is a public-interest entity.
- 3 Notwithstanding paragraphs 1 and 2 of this Article, a Member State shall, in the following cases, exempt from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the own parent undertaking of which is governed by the law of a Member State and:
 - a the parent undertaking of the exempted undertaking holds all of the shares in the exempted undertaking. The shares in the exempted undertaking held by members of its administrative, management or supervisory bodies pursuant to a legal obligation or an obligation in its memorandum or articles of association shall be ignored for this purpose; or
 - b the parent undertaking of the exempted undertaking holds 90 % or more of the shares in the exempted undertaking and the remaining shareholders in or members of the exempted undertaking have approved the exemption.
- 4 The exemptions referred to in paragraph 3 shall fulfil all of the following conditions:
 - a the exempted undertaking and, without prejudice to paragraph 9, all of its subsidiary undertakings are consolidated in the financial statements of a larger body of undertakings, the parent undertaking of which is governed by the law of a Member State;
 - b the consolidated financial statements referred to in point (a) and the consolidated management report of the larger body of undertakings are drawn up by the parent undertaking of that body, in accordance with the law of the Member State by which that parent undertaking is governed, in accordance with this Directive or international accounting standards adopted in accordance with Regulation (EC) No 1606/2002;

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- c in relation to the exempted undertaking the following documents are published in the manner prescribed by the law of the Member State by which that exempted undertaking is governed, in accordance with Article 30:
 - (i) the consolidated financial statements referred to in point (a) and the consolidated management report referred to in point (b),
 - (ii) the audit report, and
 - (iii) where appropriate, the appendix referred to in paragraph 6.

That Member State may require that the documents referred to in points (i), (ii) and (iii) be published in its official language and that the translation be certified;

- d the notes to the annual financial statements of the exempted undertaking disclose the following:
 - (i) the name and registered office of the parent undertaking that draws up the consolidated financial statements referred to in point (a), and
 - (ii) the exemption from the obligation to draw up consolidated financial statements and a consolidated management report.

5 In cases not covered by paragraph 3, a Member State may, without prejudice to paragraphs 1, 2 and 3 of this Article, exempt from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the parent undertaking of which is governed by the law of a Member State, provided that all the conditions set out in paragraph 4 are fulfilled and provided further:

- a that the shareholders in or members of the exempted undertaking who own a minimum proportion of the subscribed capital of that undertaking have not requested the preparation of consolidated financial statements at least six months before the end of the financial year;
- b that the minimum proportion referred to in point (a) does not exceed the following limits:
 - (i) 10 % of the subscribed capital in the case of public limited liability companies and limited partnerships with share capital; and
 - (ii) 20 % of the subscribed capital in the case of undertakings of other types;
- c that the Member State does not make the exemption subject to:
 - (i) the condition that the parent undertaking, which prepared the consolidated financial statements referred to in point (a) of paragraph 4, is governed by the national law of the Member State granting the exemption, or
 - (ii) conditions relating to the preparation and auditing of those financial statements.

6 A Member State may make the exemptions provided for in paragraphs 3 and 5 subject to the disclosure of additional information, in accordance with this Directive, in the consolidated financial statements referred to in point (a) of paragraph 4, or in an appendix thereto, if that information is required of undertakings governed by the national law of that Member State which are obliged to prepare consolidated financial statements and are in the same circumstances.

7 Paragraphs 3 to 6 shall apply without prejudice to Member State legislation on the drawing-up of consolidated financial statements or consolidated management reports in so far as those documents are required:

- a for the information of employees or their representatives; or
- b by an administrative or judicial authority for its own purposes.

8 Without prejudice to paragraphs 1, 2, 3 and 5 of this Article, a Member State which provides for exemptions under paragraphs 3 and 5 of this Article may also exempt from the obligation to draw up consolidated financial statements and a consolidated management report any parent undertaking (the exempted undertaking) governed by its national law which is also a subsidiary undertaking, including a public-interest entity unless that public-interest entity falls under point (1)(a) of Article 2, the parent undertaking of which is not governed by the law of a Member State, if all of the following conditions are fulfilled:

- a the exempted undertaking and, without prejudice to paragraph 9, all of its subsidiary undertakings are consolidated in the financial statements of a larger body of undertakings;
- b the consolidated financial statements referred to in point (a) and, where appropriate, the consolidated management report are drawn up:
 - (i) in accordance with this Directive,
 - (ii) in accordance with international accounting standards adopted pursuant to Regulation (EC) No 1606/2002,
 - (iii) in a manner equivalent to consolidated financial statements and consolidated management reports drawn up in accordance with this Directive, or
 - (iv) in a manner equivalent to international accounting standards as determined in accordance with Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council⁽¹⁾;
- c the consolidated financial statements referred to in point (a) have been audited by one or more statutory auditor(s) or audit firm(s) authorised to audit financial statements under the national law governing the undertaking which drew up those statements.

Points (c) and (d) of paragraph 4 and paragraphs 5, 6 and 7 shall apply.

9 An undertaking, including a public-interest entity, need not be included in consolidated financial statements where at least one of the following conditions is fulfilled:

- a in extremely rare cases where the information necessary for the preparation of consolidated financial statements in accordance with this Directive cannot be obtained without disproportionate expense or undue delay;
- b the shares of that undertaking are held exclusively with a view to their subsequent resale; or
- c severe long-term restrictions substantially hinder:
 - (i) the parent undertaking in the exercise of its rights over the assets or management of that undertaking; or
 - (ii) the exercise of unified management of that undertaking where it is in one of the relationships defined in Article 22(7).

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10 Without prejudice to point (b) of Article 6(1), Article 21 and paragraphs 1 and 2 of this Article, any parent undertaking, including a public-interest entity, shall be exempted from the obligation imposed in Article 22 if:

- a it only has subsidiary undertakings which are immaterial, both individually and collectively; or
- b all its subsidiary undertakings can be excluded from consolidation by virtue of paragraph 9 of this Article.

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(1) [OJ L 340, 22.12.2007, p. 66.](#)