



**EUROPEAN COMMISSION**

Internal Market and Services DG

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE  
**Financial reporting**

**DIRECTORATE GENERAL FOR INTERNAL MARKET AND SERVICES**

**CONSULTATION ON THE INTERNATIONAL FINANCIAL  
REPORTING STANDARD FOR SMALL AND MEDIUM-SIZED  
ENTITIES**

**Please send this answer sheet only.**

**Consultation deadline:** 12 March 2010

**Preferred form of submission – email to:** [markt-review-consultation@ec.europa.eu](mailto:markt-review-consultation@ec.europa.eu)

**Postal address:**

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**Submissions after the deadline will not be considered.**

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 29 65 199.

[http://ec.europa.eu/internal\\_market/accounting/sme\\_accounting/review\\_directives\\_en.htm](http://ec.europa.eu/internal_market/accounting/sme_accounting/review_directives_en.htm)  
E-mail: markt-f3@ec.europa.eu

Please provide the following details together with your response:

You are:

<b>Preparer:</b>	<input type="checkbox"/> small company	<input type="checkbox"/> Other (please specify)	<b>Legal Form:</b>
	<input type="checkbox"/> medium-sized company		<input type="checkbox"/> unlimited liability
	<input type="checkbox"/> large company		<input type="checkbox"/> limited liability
<b>User:</b>	<input type="checkbox"/> bank/credit provider	<input type="checkbox"/> analyst	<input type="checkbox"/> Other organisation of stakeholders
	<input type="checkbox"/> private person	<input type="checkbox"/> investor/investor organisation	
<b>Public authority:</b>	<input type="checkbox"/> audit/market regulator	<input checked="" type="checkbox"/> Government Ministry/Agency	<input type="checkbox"/> other (please specify)
<b>Accountants and Auditors:</b>	<input type="checkbox"/> accounting firm	<input type="checkbox"/> audit firm	<input type="checkbox"/> organisation of accountants and auditors
<b>Other:</b>	<input type="checkbox"/> (please specify)		

Name of your organisation / company: [Ministry of Economic and Business Affairs/ Danish Commerce and Companies Agency](#)

Country where your organisation / company is located: [Denmark](#)

Name and location of parent company: [N/A](#)

Contact details incl. e-mail address: [Deputy Director General, Mr. Niels Henrik Englev.   
nhe@eogs.dk](#)

Short description of the general activity of your organisation / company:

[N/A](#)

Do you trade cross-border?  Yes  No

Is your organisation registered in the Interest Representative Register?  Yes  No

If yes, please specify the address of your organisation and the Register ID number in the Interest Representative Register<sup>1</sup>:

Publication:

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<sup>1</sup> If your organisation is not registered, you have the opportunity to register here (<https://webgate.ec.europa.eu/transparency/reg/in/welcome.do?locale=en#en>) before you submit your contribution. Responses from organisations not registered will be published separately from the registered organisations.

Do you object to publication of the personal data on the grounds that such publication would harm your legitimate interests?  I object

**Question 1:**

*Do you think the IFRS for SMEs is suitable for widespread use within Europe?*

YES  NO  Don't know

*Please comment, indicating whether there are any type(s) or size(s) of company that would benefit from adopting the Standard:*

small<sup>2</sup>  medium<sup>3</sup>  large<sup>4</sup>

other criteria (please explain) [Please see below.](#)

*Please comment:*

The interest and need for the SME Standard seems to be more related to the specific kind of company (e.g. companies with international stakeholders, subsidiaries of listed companies) than to the size of the company.

**Question 2:**

*If you are a preparer of company accounts can you indicate any costs (both one-off and recurring) or benefits, and any other effects of adopting the IFRS for SMEs?*

*Please comment:*

N/A

*In particular, do you think increased international comparability of accounts prepared under the IFRS for SMEs will benefit your business?*

YES  NO  Don't know

*Please comment:*

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<sup>2</sup> Generally companies with turnover less than €4.4 million, balance sheet total less than €8.8 million and 50 or fewer employees (see Fourth Company Law Directive)

<sup>3</sup> Generally companies with turnover less than €7.5 million, balance sheet total less than €35 million and 250 or fewer employees (see Fourth Company Law Directive)

<sup>4</sup> Generally companies with turnover greater than €7.5 million, balance sheet total greater than €35 million and more than 250 employees (see Fourth Company Law Directive)

**Question 3:**

*If you are a user of accounts (for example a bank) do you think the IFRS for SMEs will provide more useful information than national GAAP accounts?*

YES                       NO                       Don't know

*Please comment:*

N/A

**Question 4:**

*Does increased international comparability of accounts prepared under the IFRS for SMEs benefit users?*

YES                       NO                       Don't know

*Please comment:*

Many companies give/obtain credit and/or enters into long time operating relationships with companies in different countries. For these companies it will reduce the burdens if the accounts are prepared using the same accounting standard. The stakeholders will have to use less resources on reading and understanding the specific accounts and on comparing account from different Regions of the EU.

**Question 5:**

*Do you think adoption of the IFRS for SMEs should be provided for within the EU accounting legal framework?*

YES                       NO                       Don't know

*Please comment:*

Use of the SME Standard might be an option according to the 4<sup>th</sup> Directive or an option according to a Regulation, like the options in the existing IFRS Regulation.

**Question 6:**

*If yes, should such an option be limited to a Member State option (i.e. that each Member States would have a possibility but no obligation to accept IFRS for SME)?*

YES                       NO                       Don't know

*Please comment:*

Preferable, the option to use the SME Standard should apply directly to all the relevant companies in the EU. This solution will ensure that all the relevant companies can benefit from the option - and ensure equal possibilities for all EU-companies.

If this solution is not achievable, the possibility to use the SME Standard should at least be a Member State Option. A Member State Option will pay regards to those EU countries where the use of the SME Standard would be fundamentally in conflict with the existing accounting regime and those who want to limit the use of the SME Standard.

If the permission on EU-level to use the standard is limited to certain types of companies or accounts (i.e. consolidated accounts), the Member States should have the option to permit other types of companies to use the standards (and also allow it to be used in the annual accounts).

***Question 7:***

*Do you have other views on the possible adoption of the IFRS for SMEs within the EU accounting framework?*

*Please comment:*

***Question 8:***

*Is there a case for giving companies, at EU level, an option to adopt the IFRS for SMEs?*

*YES*

*NO*

*Don't know*

*If yes, for which categories:*

*small*

*medium*

*large*

*other criteria (please explain)*

*Please comment:*

[Please see our comments on question 6.](#)

***Question 9:***

*What should be done, in your view, where there is incompatibility between the Directives and the IFRS for SMEs?*

*Please comment:*

It should be ensured that the Directive is not in conflict with the SME Standard. This will also allow the Member States to adjust the national accounting requirements to the SME Standard.

**Question 10:**

*In the light of the publication of the IFRS for SMEs, do you see a need for "rules-based" Accounting Directives in the future?*

YES                       NO                       Don't know

*If yes, for what type(s) or size(s) of company are detailed rules required?*

small                       medium                       large

other criteria (please explain)

*Other than the 5 items listed in paragraph 4.3 of the consultation document, what aspects of financial reporting should the revised Directives address, and to what level of detail?*

*Please comment:*

*Other comments*

We have not fully considered this issue yet. However, we do find it appropriate to consider what kind of companies which need to be included in the Accounting Directives and consider how specific the regulation in the directives should be.

It is our preliminary view that the Accounting Directives should not be more "ruled-based" in the future than they are today.

**Question 11:**

*Are there any elements of the IFRS for SMEs that should be incorporated within revised Directives?*

*Please comment:*

[Please see our comments on question 9.](#)

**Question 12:**

*Do you have any other observations or comments on the IFRS for SMEs or the project to overhaul the Accounting Directives?*

*Please comment:*

[Please see our comments on question 10.](#)

***Thank you for your contribution***

