



The Danish Government's response to the consultation of the Commission's amendment of thresholds in the Accounting Directive for determining the size category of an undertaking to account for the impact of inflation

The Danish Government would like to thank the Commission for its proposal to adjust the size criteria for micro, small, medium-sized and large undertakings or groups in the Accounting Directive.

The Danish Government supports the Commission's proposal to make a 25% adjustment of the monetary size criteria in the directive.

The Danish Government agrees with the Commission that this prevents a situation, where micro-, small and medium-sized undertakings – due to inflation – unintentionally become subject to more demanding requirements applicable.

The Danish Government also supports that the amended thresholds should apply for financial years beginning on or after 1 January 2024.

This would ensure that undertakings or groups benefit from the adjusted thresholds as soon as possible, and that the application of the new thresholds apply at the same time as the new provisions on sustainability reporting. This prevents a situation where undertakings first are covered by the provisions on sustainability reporting and subsequently are being exempted from the same requirements.

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