



**COUNCIL OF  
THE EUROPEAN UNION**



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## **New transparency rules for the extractive industry and simplification of accounting requirements for companies**

The Committee of Permanent Representatives<sup>1</sup> today endorsed the agreement reached on 9 April between the Irish Presidency of the Council and the European Parliament representatives for the review of the accounting rules applicable to EU companies ([8328/13](#)). The agreement paves the way for the formal adoption of the new directive by the European Parliament and the Council through a vote in the coming months.

The key objectives of the review are:

- to reduce administrative burdens and to simplify accounting rules, particularly for small and medium-sized enterprises;
- to increase the clarity and comparability of financial statements; and
- to enhance transparency on payments made to governments by the extractive industry and loggers of primary forest.

The new rules will impose an obligation to report on payments made by the extractive industry and loggers of primary forest to governments in third countries (also referred to as country-by-country reporting).

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<sup>1</sup> The Committee of Permanent Representatives (COREPER) of the governments of the EU member states is responsible for preparing the work of the Council.

# **P R E S S**

Large undertakings and public-interest entities which are active in the extractive industry or logging of primary forests shall disclose payments made to governments in the countries in which they operate if the total amount of payments exceeds EUR 100 000 per year. Such undertakings normally operate in countries rich in natural resources, in particular minerals, oil, natural gas as well as primary forests.

Member states will have two years to incorporate the new provisions into their national legislation.

The directive was first presented in October 2011 ([16250/11](#)) with the purpose to modernize and replace the current "accounting directives". The accounting directives deal with the annual and consolidated financial statements of limited liability companies in Europe. These are:

- the Fourth Council Directive on the annual accounts of certain types of companies (78/660/EEC) of 25 July 1978, and
- the Seventh Council Directive on consolidated accounts (83/349/EEC) of 13 June 1983.

The simplification and transparency of the accounting requirements for EU companies is one of the priority actions of the Single Market Act for growth and job creation. It is also part of the EU's "socially responsible business" strategy.

See also statement by the Irish Presidency:

<http://www.eu2013.ie/news/news-items/20130409accountingdirectivepr/>