

Adapting Accounting Frameworks for SMEs and IFRS for SMEs

Recent developments in the EU's corporate reporting and auditing landscape

CFRR Train the Trainers Workshop

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Content

- Overview of DG FISMA and Unit C1
- Latest developments on corporate reporting and auditing
- Presentation of voluntary KPI-based reporting initiative for SMEs



Overview of DG FISMA and Unit C1



Overview of DG FISMA

Mission

- Working to build a stable financial system.
- Shaping the rules that govern financial services in the EU.
- Work closely with an ecosystem of EU authorities, as well as international organisations.

Policy Areas

- Consumer finance
- Financial markets
- Banking and insurance
- Sustainable finance
- Digital finance
- Financial crime and sanctions



Unit C1 - Corporate reporting, audit and credit rating agencies

MISSION

To ensure the quality, reliability and availability of public information about European companies and their securities in a wide range of fields, including in particular financial and non-financial information in corporate reports.

Policy-making and managing legislation in the following areas:

- environmental, social and governance information by public interest entities;
- accounting requirements for both listed and non-listed companies;
- the availability and usability of regulated information for listed companies;
- audit and assurance of company reports; and
- the quality of credit ratings.



Latest developments on corporate reporting and auditing



Financial Reporting

Non-IFRS Financial Statements

Accounting Directive

Common principles on the content and presentation of companies' financial statements, what to audit, what to file with a business register. Mandates country-by-country reporting. Complemented by specific directives for banks and insurance companies.

IFRS Financial Statements

IAS Regulation

EU listed companies must use IFRS Accounting Standards as adopted by the EU for their consolidated financial statements.



OMNIBUS I – 6 MAIN ELEMENTS

1. **Postponement:** for companies not reporting this year (“stop-the-clock” proposal).
2. **Scope:** removing reporting obligations for some companies.
3. **Value-chain:** further limiting the trickle-down effect.
4. **Audit and assurance:** to reduce costs for companies.
5. **The reporting standards:** to simplify and reduce burden.
6. **Taxonomy reporting:** voluntary for certain companies.

Sustainability Reporting

The Corporate Sustainability Reporting Directive (CSRD), and the accompanying European Sustainability Reporting Standards (ESRS), introduce harmonised rules for company reporting of sustainability information.



Auditing

Audit Directive

It applies to all statutory audits and it aims at improving audit quality and confidence in financial information.

Audit Regulation

Specific requirements about statutory audit of public-interest entities. It also strengthens pan-EU supervision.

“There is an opportunity to do more at the level of audit supervision in the EU.”

- Commissioner Maria Luísa Albuquerque, 2025



Voluntary KPI-based reporting initiative for SMEs



Voluntary KPI-based reporting initiative for SMEs

- Access to finance is a key challenge for EU companies, especially SMEs and innovative companies.
- Investors seeking cross-border opportunities in the EU, rely on comparable financial information.
- Variations in accounting practices across Member States add complexity, cost and time for evaluating investment opportunities.

“easily accessible, reliable, understandable and comparable public information is needed to attract investors”

-“A New Vision for Europe’s Capital Markets, Final Report of the High-Level Forum on the Capital Markets Union”, June 2020



Thank you



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