

21/11/2024

# **Adjustment of size criteria for micro, small, medium and large companies or groups**

In the context of the transposition of **Commission Delegated Directive (EU) 2023/2775** of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustment of the size criteria for micro, small, medium-sized and large enterprises and groups, Luxembourg adopted the **Grand Ducal Regulation of 25 October 2024**.

## **1. INTRODUCTION**

The main **objectives** of accounting reporting requirements are to **inform** investors in capital markets, **provide** an overview of past transactions, and **improve** corporate governance. It is of paramount importance to streamline these requirements so that they can achieve their aims while minimizing the administrative burden on companies.

## **2. RATIONALE?**

The figures provided by Eurostat indicate **cumulative inflation** over a period of around ten years (1<sup>st</sup> January 2013 to 31 March 2023) of around 24.3% in the eurozone and over 27% in the European Union as a whole. In addition, the high inflation observed in 2021 and 2022 has led the Commission to review the financial criteria determining the size category of companies with a view to re-evaluating them, resulting in an adjustment of 25%, which it has deemed necessary, and to round up the thresholds for determining the category of companies and groups.

## **3. EFFECT?**

This increase in thresholds will lead to a re-categorisation of certain large companies as medium-sized, exempting them from publishing sustainability information. At the same time, some medium-sized companies will become small companies, exempting them from having their accounts audited by a statutory auditor. As for groups, some will fall outside the criteria and will be exempt from publishing consolidated accounts.

## **4. AMENDMENTS?**

### **1. The law of 10 August 1915 concerning commercial companies, as amended:**

Article 1711-4 stating the rule concerning the obligation of parent companies to draw up consolidated accounts and a consolidated management report, will be amended as follows:

### **2. The law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings**

Article 35 determining the criteria for the layout of the balance sheet, will be amended as follows:

Article 47 determining the criteria for the layout of the profit and loss accounts, will be amended as follows:

## **5. AS OF WHEN?**

In compliance with the option offered by the Commission, Luxembourg has decided of making these criteria applicable for financial years beginning on or after 1<sup>st</sup> January 2023.

---

## EXPERTISE

CORPORATE, M&A

CORPORATE GOVERNANCE

---

## KEY CONTACT

**Jean-Paul SPANG** Senior Partner

**Pierre-Alexandre DEGEHET** Partner

**Delphine TEMPE** Partner

**Jerôme BUREL** Partner

**Renata JOKUBAUSKAITE** Partner



Created 12/02/2026 | Copyright © 2025 KLEYR GRASSO. All rights reserved.