



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 June 2005

9588/05

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2004/0250 (COD)**

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"A" ITEM NOTE

from: General Secretariat

to: Council

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No. Cion prop. : 14119/04 DRS 36 CODEC 1191 - COM(2004) 725 final

Subject : Proposal for a Directive of the European Parliament and of the Council amending Council Directives 78/660/EEC and 83/349/EEC concerning the annual accounts of certain types of companies and consolidated accounts

- Adoption of a general approach

COMMON GUIDELINES

Consultation deadline: 06.06.2005 (for reasons of urgency, the consultation deadline is shorter than 7 working days)

1. The Commission submitted the above-mentioned proposal to the Council and to the European Parliament on 27 October 2004.
2. This proposal aims to amend the fourth and the seventh Company law Directives (Accounting Directives) with a view to further enhancing confidence in the financial statements and annual reports published by European companies. It establishes collective responsibility of board members for drawing up and publishing financial statements and annual reports, enhances transparency about related parties' transactions and about off-balance sheet arrangements and introduces a corporate governance statement.

3. The European Parliament has not yet given its opinion at first reading (expected for September 2005).
4. The Economic and Social Committee has not yet given its opinion either.
5. At its meeting of 1 June 2005, the Permanent Representatives Committee (Part 2) reached broad agreement on the basis of a Presidency compromise proposal and decided to transmit this file to the Council for adoption of a general approach. The Danish, Maltese and United Kingdom delegations have a parliamentary scrutiny reservation.
6. **The Council is therefore invited to :**
 - **agree on a general approach on this file on the basis of the Presidency compromise proposal as contained in ADD 1 to this Note ;**
 - **enter into its Minutes the statements contained in ADD 2 to this Note.**
