



# Annual financial reporting, tax and regulatory update

Board Leadership Center

5 December 2024

# With us today



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# IFRS® & BE GAAP update

Finding clarity in the complexity of accounting

—  
Frederic Poesen



**01**

**ESMA  
enforcement  
priorities**

# Priorities related to IFRS financial statements

- **Liquidity considerations**
  - Supplier finance arrangements and new liquidity risk disclosures
  - Covenants and new disclosures
  - Statement of cash flows:
    - cash flows must be presented on a gross basis (IAS 7.18-21)
    - non-cash transactions cannot be presented in the statement of cash flows, and
    - material non-cash transactions related to investing and financing transactions must be disclosed elsewhere in the financial statements (IAS 7.43)
  
- **Accounting policies, judgements and significant estimates**
  - General remarks
  - Control, joint control and significant influence
  - Revenue from contracts with customers



# Priorities related to ESEF reporting & general considerations

## ESEF reporting

- Correctness of mark-ups
- Extension taxonomy elements and anchoring RTS on ESEF
- Consistency and completeness of mark-ups RTS on ESEF
- Correctness of signs, scaling and accuracy
- Consistency of calculations RTS on ESEF

## General considerations

- Connectivity between financial and sustainability statements
- Considerations on IFRS financial reporting
- Considerations on alternative performance measures (APMs)
- Considerations on sustainability reporting
- Considerations on ESEF reporting

**02**

**IFRS - Newly effective  
and forthcoming  
requirements**

# Newly effective requirements

Effective date	New standards or amendments	Web article	<a href="#">EFRAG endorsement status</a>
January 2024	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 <i>Leases</i>	<a href="#">Web article</a>	Endorsed
	Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 <i>Presentation of Financial Statements</i>	<a href="#">Web article</a>	Endorsed
	Amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i>	<a href="#">Web article</a>	Endorsed



# Forthcoming requirements

Effective date	New standards or amendments	Web article	<u>EFRAG endorsement status</u>
<b>1 January 2025</b>	Lack of Exchangeability – Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>	<a href="#">Web article</a>	Not yet endorsed
<b>1 January 2026</b>	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	<a href="#">Web article /</a> <a href="#">Web article</a>	Not yet endorsed
	Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> <li>• IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>;</li> <li>• IFRS 7 <i>Financial Instruments: Disclosures</i> and its accompanying <i>Guidance on implementing IFRS 7</i>;</li> <li>• IFRS 9 <i>Financial Instruments</i>;</li> <li>• IFRS 10 <i>Consolidated Financial Statements</i>; and</li> <li>• IAS 7 <i>Statement of Cash flows</i></li> </ul>	<a href="#">Web article</a>	Not yet endorsed

# Forthcoming requirements



Effective date	New standards or amendments	Web article	<u>EFRAG endorsement status</u>
<b>1 January 2027</b>	IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	<a href="#">Web article</a>	Not yet endorsed
	IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	<a href="#">Web article</a>	Not yet endorsed
<b>To be determined</b>	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> *		-

\* The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

# Future developments – IFRS Foundation work plan – Selection

Standard-setting projects	Next milestone	Expected or due date
Financial Instruments with Characteristics of Equity	Final amendments to IFRS Accounting Standard	2026
Management Commentary	Revised Practice Statement	H1 2025
<b>Business combinations – Disclosures, goodwill and impairment</b>	<b>Feedback on ED</b>	<b>December 2024</b>
Equity Method	Comment letter on ED	20 January 2025

Maintenance projects	Next milestone	Expected or due date
Power Purchase Agreements	Final amendments to IFRS Accounting Standard	December 2024
Climate-related and Other Uncertainties in the Financial Statements	Comment letter on ED	28 November 2024
Provisions – Targeted Improvements	ED	November 2024

# Business combinations – Disclosures, goodwill and impairment

## Proposed disclosures for business combinations:

- Expected synergies – required for all business combinations
- Key objectives and subsequent performance against them – required for strategic business combinations only
- Exemption from disclosing information in specific limited circumstances
- All new requirements would apply prospectively – i.e., for business combinations that occur after the amendment's effective date

## Proposed changes to the impairment test:

- Remove constraints on reflecting any estimated future cash flows expected to arise from:
  - future uncommitted restructuring; and
  - improvement or enhancement of an asset or CGU's performance.
- Remove the requirement to use pre-tax cash flows and discount rates. Require to disclose the discount rate(s) used and whether it (they) is (are) pre-tax or post-tax.
- Clarify the guidance on how to allocate goodwill to CGUs or a group of CGUs for impairment testing.
- All new requirements would apply prospectively






**03**

**IFRS 18**

***Presentation and  
Disclosure in Financial  
Statements***


# IFRS 18 – Presentation and Disclosure in Financial Statements

### More structured income statement



- New subtotals including 'operating profit'
- Income and expenses classified into three categories – operating, investing, financing
- Main business activities drive the classification of income and expenses


### Disclosed and audited MPMs



- MPMs\* are now disclosed in the financial statements and subject to audit
- MPMs capture some but not all 'non-GAAP' measures
- New disclosures may involve additional effort

\* Management performance measures

### Greater disaggregation of information



- New disclosures for items labelled as 'other'
- Enhanced guidance on how to group information within the financial statements
- Remains a judgement area



## Effective date?

For reporting periods beginning on or after 1 January 2027 (and applies retrospectively).

Earlier application is permitted.



# IFRS 18 – Income statement structure (1/2)

IFRS 18 introduces some key changes for the income statement, including:

- **two newly required subtotals** on the face of the income statement;
- income and expenses classified into **three new categories**, depending on a company's main business activities; and
- **results of equity-accounted investees** no longer presented as part of operating profit (now always in the investing category).

Illustrative income statement		Entities without specified main business activities <sup>1</sup>	
	Revenue		X
	Operating expenses (analysed by nature, function or both as appropriate)		(X)
	<b>Operating profit or loss</b>		<b>X</b>
New categories	Share of profit or loss of equity-accounted investees	Investing <sup>2</sup>	X
	Income from other investments		X
	Interest income from cash and cash equivalents		X
	<b>Profit or loss before financing and income tax</b> <sup>3</sup>		<b>X</b>
	Interest expense on borrowings and lease liabilities	Financing <sup>2,3</sup>	(X)
	Interest expense on pension liabilities		(X)
	<b>Profit or loss before income tax</b>		<b>X</b>
	Income tax expense	Income tax	(X)
	<b>Profit or loss from continuing operations</b>		<b>X</b>
	Profit or loss from discontinued operation	Discontinued operation	X
	<b>Profit or loss</b>		<b>X</b>

## Notes:

<sup>1</sup> Entities with specified main business activities of 'investing in assets' (e.g. insurers, investment property companies) or providing financing to customers (e.g. banks) classify additional income and expenses in the operating category, which would otherwise be classified in the investing or financing category.

<sup>2</sup> The operating, investing and financing categories are not aligned with those for the cash flow statement.

<sup>3</sup> Entities providing financing to customers as their only main business activity (e.g. banks) typically do not present this subtotal.

# IFRS 18 – More structured income statement (2/2)

All companies classify income and expenses into three new categories.

**Operating** – income/expenses arising from a company's main business activities.

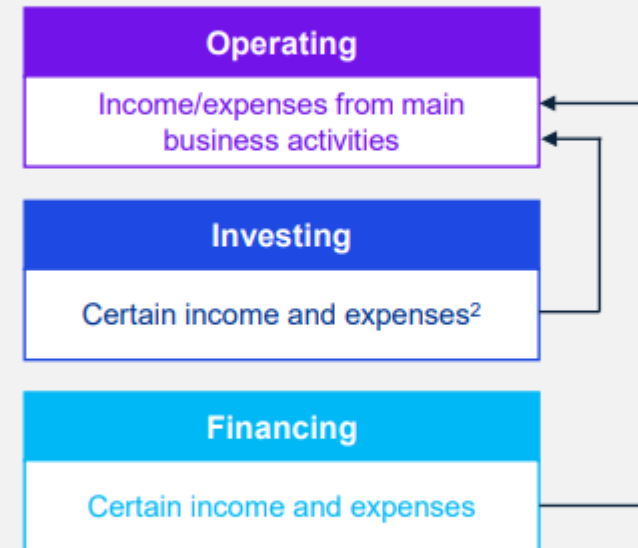
**Investing** – income/expenses from:

- investments in associates, joint ventures and unconsolidated subsidiaries;
- cash and cash equivalents; and
- assets that generate a return individually and largely independently (e.g. rental income from investment properties).

**Financing** – comprising:

- income/expenses from liabilities related to raising finance only (e.g. interest expense on borrowings); and
- interest income/expense and effects of changes in interest rates from other liabilities (e.g. interest expense on lease liabilities).

Companies with **specified main business activities**<sup>1</sup> classify additional items of income and expense in the **operating** category that would otherwise be classified in **investing** or **financing**.



<sup>1</sup> This term is defined in IFRS 18 as investing in assets (e.g. real estate companies, insurers) or providing financing to customers (e.g. banks).

<sup>2</sup> Share of profit/loss of equity-accounted investees is always classified in investing.



# IFRS 18 – Analysis of operating expenses (IFRS 18.78)

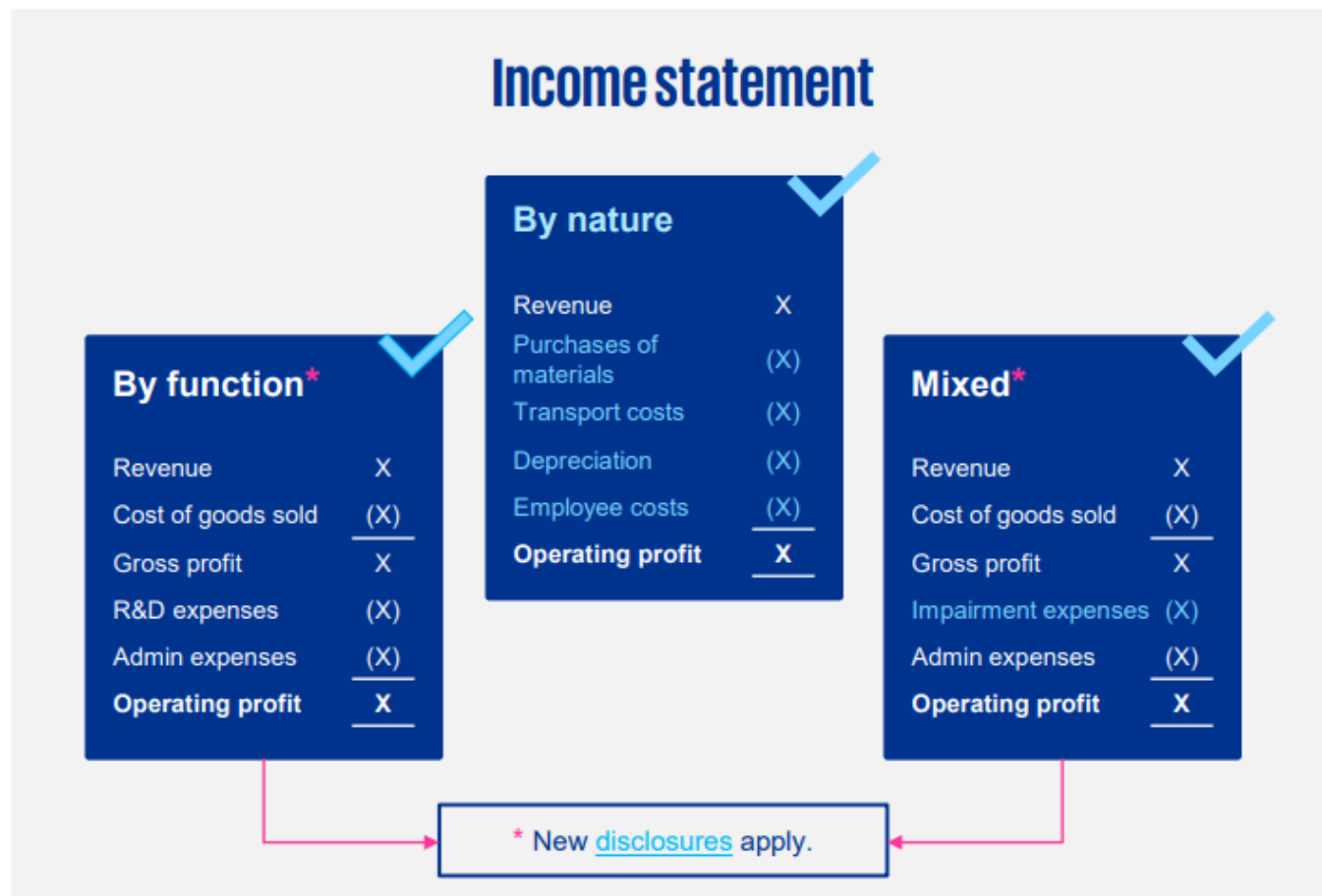
Companies present an **analysis of operating expenses on the face** of the income statement.

Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes.

A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses, by either:

- **nature;**
- **function;** or
- using a **mixed presentation.**

If any operating expenses are presented by function, then new disclosures apply.



# IFRS 18 – Disclosed and audited MPMs (1/2)

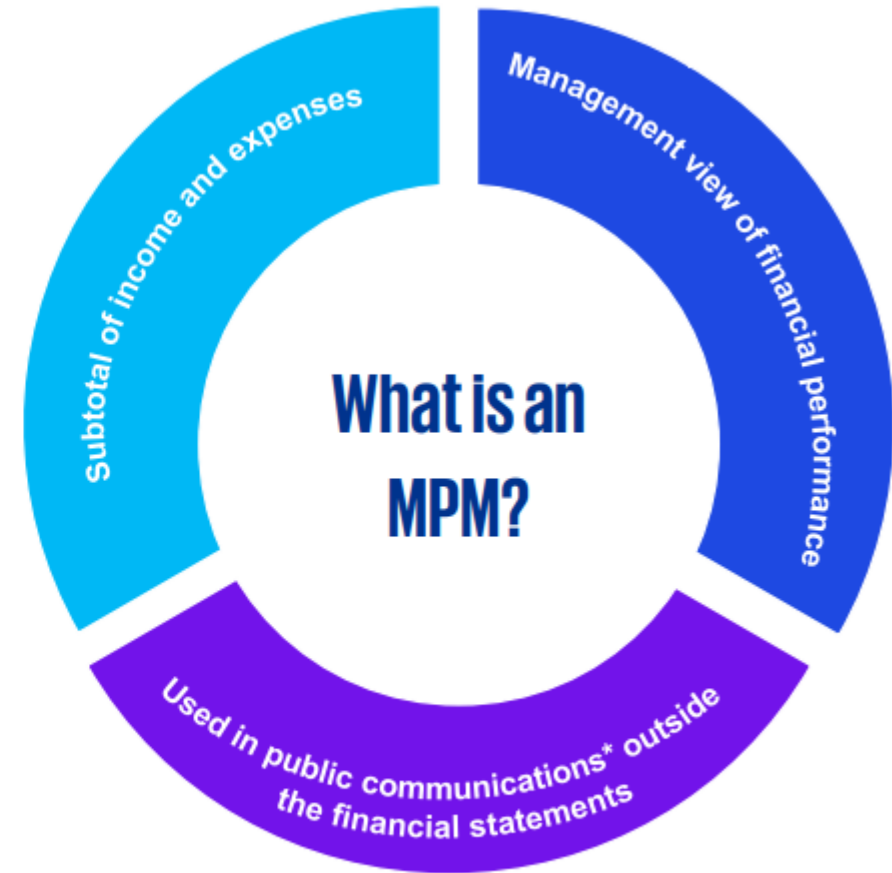
Only 'non-GAAP' measures that are **subtotals of income and expenses** – i.e. **MPMs** – are reported.

The **definition** of MPMs is narrow and **excludes** the following.

- ✘ Non-financial performance measures – e.g. customer satisfaction statistics.
- ✘ Financial performance measures that are not subtotals of income and expenses – e.g. free cash flow.
- ✘ Totals/subtotals specified in IFRS® Accounting Standards – e.g. gross profit.



Certain 'non-GAAP' measures that meet the definition of MPMs will now be reported in the financial statements and subject to audit. As a result, companies may decide to revisit the purpose and relevance of existing 'non-GAAP' measures communicated outside of the financial statements.



\* A subtotal used in public communications is presumed to represent management's view of financial performance unless it can be rebutted with reasonable and supportable information.

# IFRS 18 – Other changes?

## Cash flow statement

- Operating profit is the starting point for the indirect method.
- The option for classifying interest and dividend cash flows as operating activities has been eliminated.

### Cash flows (general model)\*

#### Financing

- Dividends paid
- Interest paid

#### Investing

- Dividends received
- Interest received

\* Classifying interest and dividends will differ for companies with specified main business activities.

## Balance sheet

- **Goodwill** is presented as a new line item on the face of the balance sheet.

Property, plant and equipment	X
<b>Goodwill</b>	<b>X</b>
Intangible assets	X
<b>Total non-current assets</b>	<b>X</b>



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# Tax update

Silvie Broekx



# Contents

- 01** Initiatives at European level
  - BEPS 2.0
  - Unshell
  - DEBRA
  - BEFIT
  
- 02** Belgium: Tax audits & new legislation
  
- 03** ESG update

# Key EU direct tax initiatives

 **EU Minimum Tax Directive**

 **Public Country-by-Country Reporting**

 **Misuse of shell entities**

 **EU list of non-cooperative jurisdictions**

 **Directive on administrative cooperation**

 **Harmonization and coordination (BEFIT & DEBRA)**

 **Withholding tax relief procedure (FASTER)**

**01**

# **EU base legislation: Pillar II – Global minimum tax**

**Silvie Broekx – Tax Partner**

# Global Anti-Base Erosion (GloBE) rules – Global minimum tax

## What?

**Minimum level** of tax of **15%**

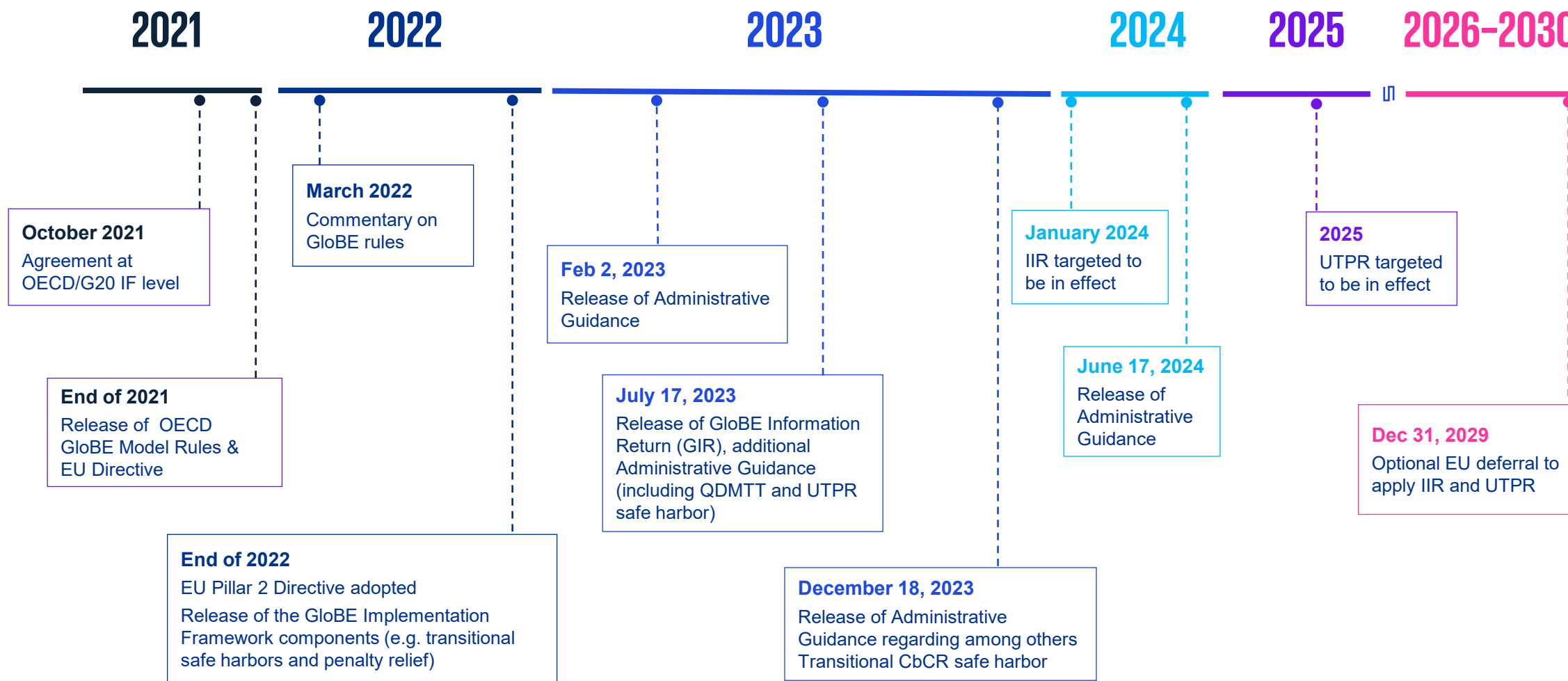
## Who?

MNEs with revenue above **750 MEUR** in at least 2 of the 4 years prior to the FY

## How?

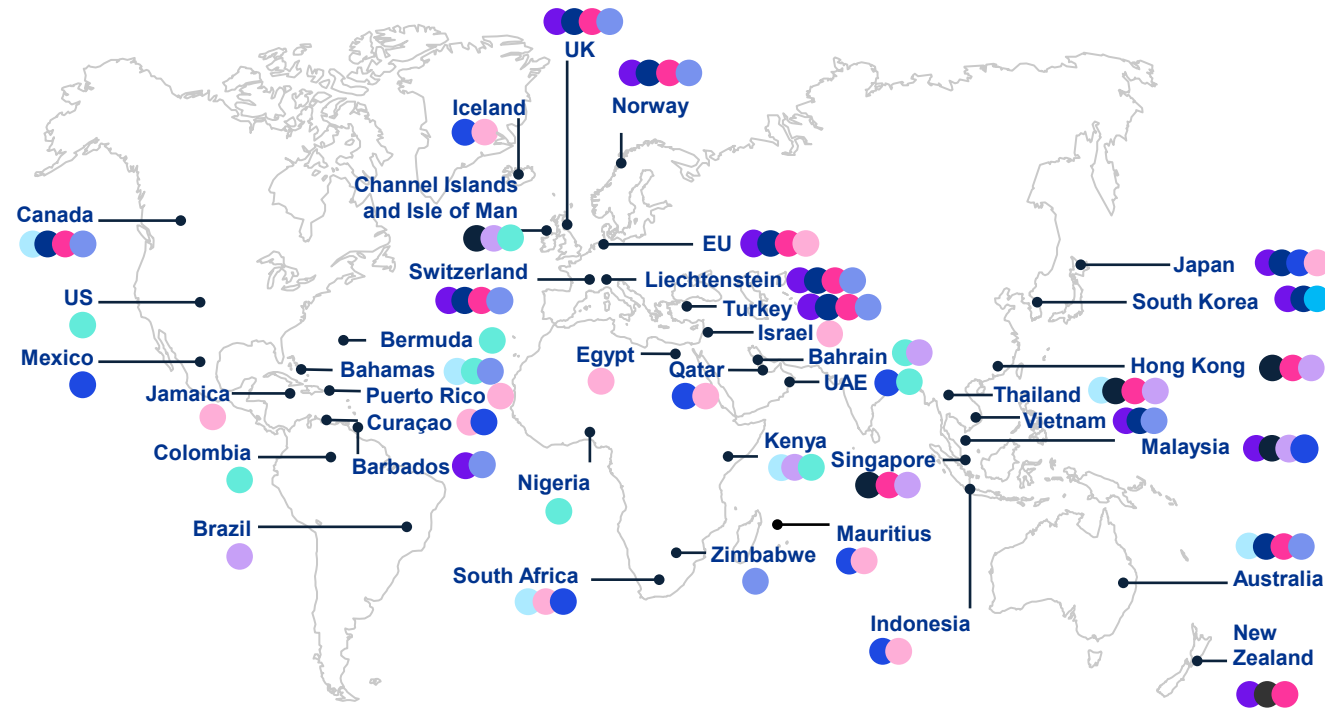
**Top-up tax** for difference between jurisdictional ETR and global minimum tax

# Pillar Two - Timeline





# Overview of local Pillar Two implementation

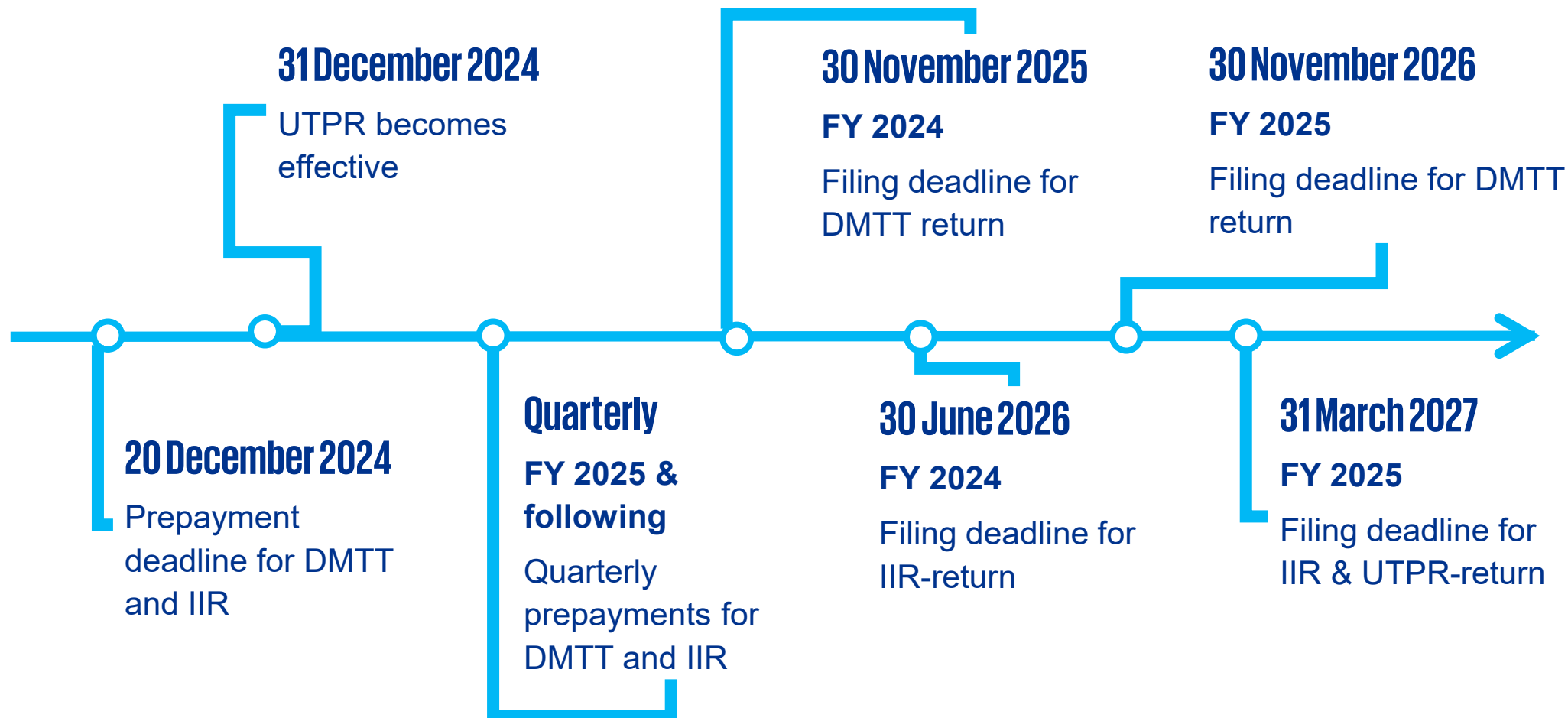


## Legend

- Legislation passed/approved
- Intention to apply IIR/UTPR (timing uncertain)
- Draft legislation released
- DMTT (2024)
- IIR (2024)
- DMTT (2025)
- IIR (2025)
- Intention/option to apply DMTT (timing uncertain)
- UTPR (2024)
- Other related legislation/announcement
- UTPR (2025)

# GloBE compliance in Belgium

FY = Fiscal Year



# Observations from local draft legislation



## General observations

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- Close alignment with Model Rules / EU Directive
- Reference to the OECD Commentary and Administrative Guidance materials



## Domestic top-up tax (DMTT)

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- Plans to introduce a DMTT
- Rule order in line with Administrative Guidance (i.e. DMTT comes first)



## Safe harbors

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- QDMTT safe harbor included (EU countries)
- Transitional safe harbors included



## Administration

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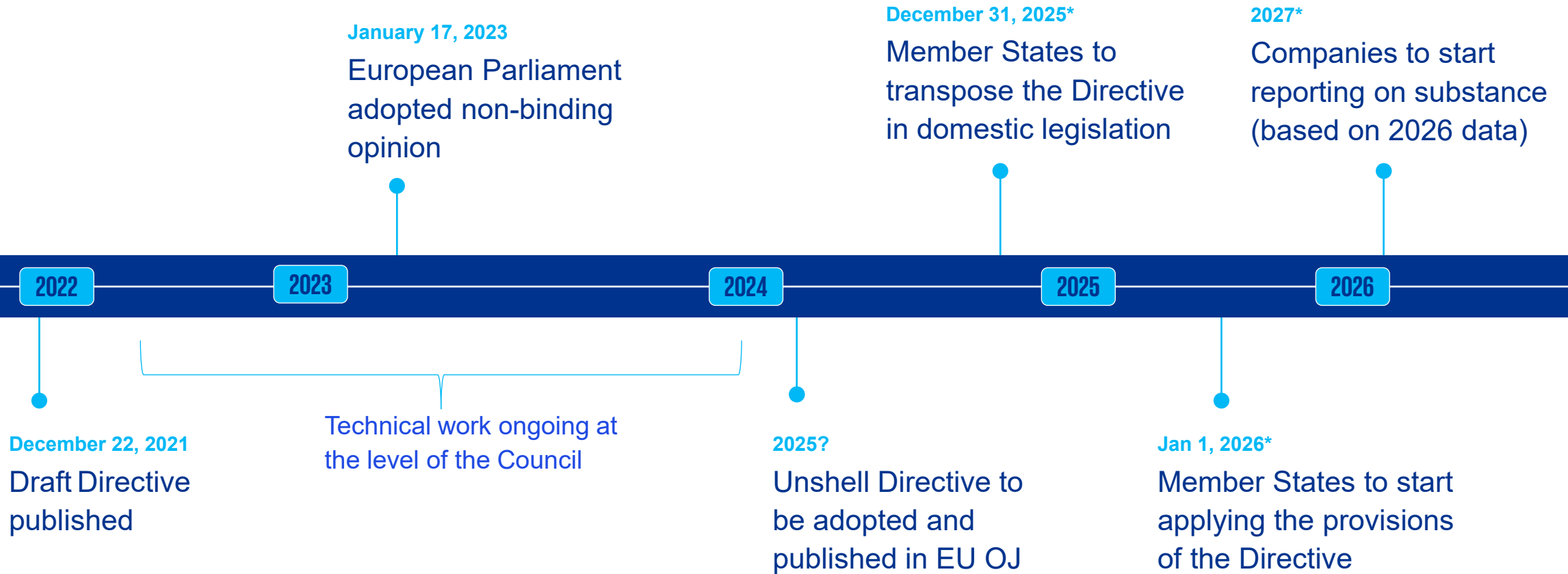
- Registration + Local self-assessment return + GloBE Information Return
- Special provisions for local groups
- Penalties

**01**

**EU initiative:  
Proposal to prevent  
the misuse of shell  
entities (Unshell)**

Silvie Broekx – Tax Partner

# Unshell – tentative timeline\*



\*Based on the information reported in the media and assuming agreement is reached

**01**

**EU initiative:  
Debt-Equity Bias  
Reduction Allowance  
(DEBRA)**

Silvie Broekx – Tax Partner



# DEBRA – Allowance on equity

## Allowance base

Net equity at the end of the tax year

–

Net equity at the end of the previous tax year

## NIR

Risk Free Rate (currency specific, with a maturity of ten years)

+

1% Risk Premium (1.5% for SMEs)

**Allowance on equity**

=

**Allowance Base**

X

**Notional Interest Rate (NIR)**

## Equity

Paid-up Capital + Share premium account + Revaluation reserve + Reserves + Profits / Losses carried forward

## Net Equity

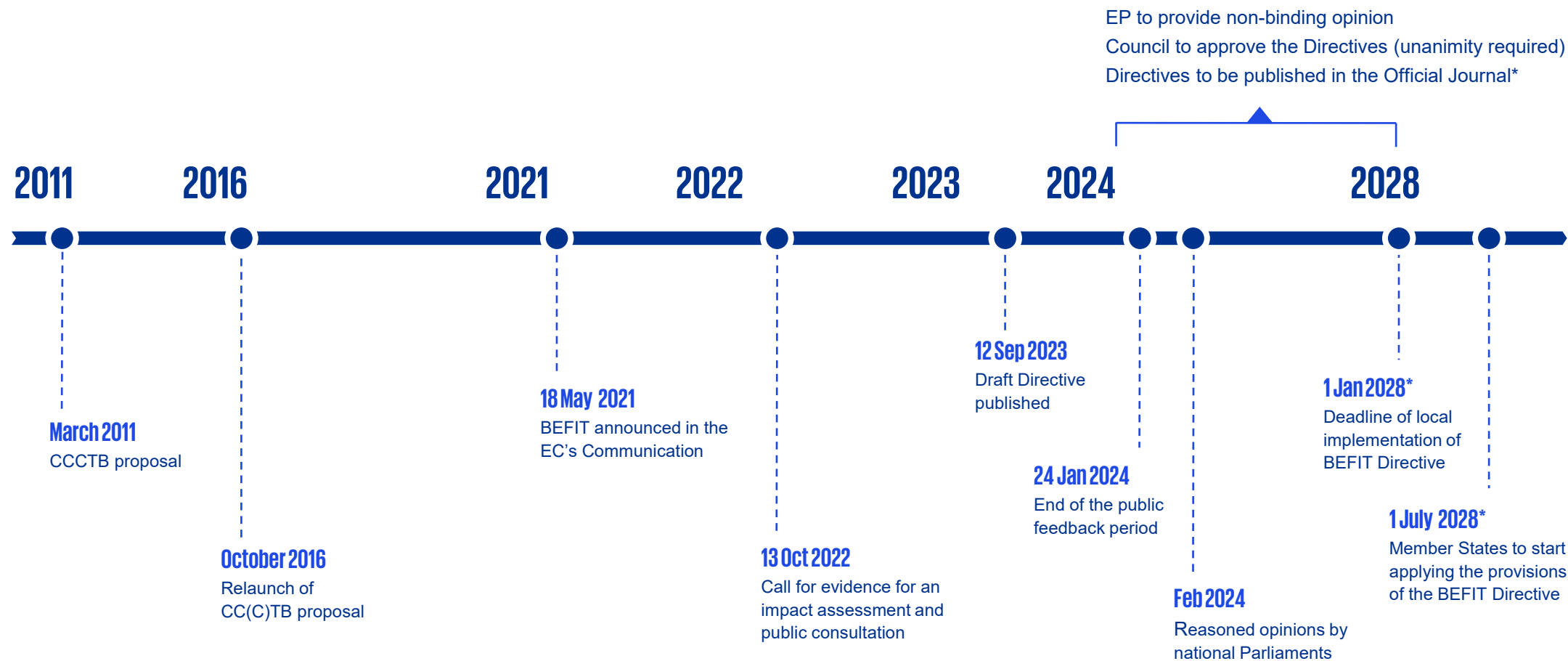
Equity adjusted by Tax Value of Participations in Associates and Taxpayer's Own Shares

**01**

# **EU initiative: Framework for Income Taxation (BEFIT)**

**Silvie Broekx – Tax Partner**

# BEFIT – Timeline



\* Based on the assumption that the Directive will be adopted without altering the proposed timeline as per the current draft text. Neither the Commission, nor the Council provided an indicative timetable for adoption.

**02**

# **Belgium: Tax audits & new legislation**

**Silvie Broekx – Tax Partner**

# New legislation

- **Stricter CFC-rules and Cayman tax**
- **Amended investment and technology deductions**
- **Mandatory e-invoicing as from 1 January 2026**
- **Changes to anti-tax avoidance provisions**
- **Stricter reporting for deduction of rent as a business expense**
- **Longer assessment / objection periods**
- **Transition towards a green company car fleet**
- ...

# CFC regulations

As from AY24 there was a significant expansion of the existing CFC regulations.

## What is CFC?

A set of anti-abuse measures aimed at preventing taxpayers from reducing their taxable base by transferring (part of) their income to a foreign subsidiary or foreign establishment that benefits from a more favorable tax regime.

# 2024

In effect as from  
Assessment year  
2024



## Changes

### Model B: Transactional approach

Targets undistributed profits of a foreign company arising from non-genuine arrangements put in place for the essential purpose of obtaining a tax advantage.



### Model A: Entity approach

Focuses on the taxation of passive income of low-taxed entities





# Qualification as a Controlled Foreign Corporation (CFC)

## 01

### Participation condition

*Whether together with its associated entities or not:*

- majority of the **voting rights**;
- At least 50 % of the **capital**
- Entitled to at least 50 % of the profits.

Permanent establishment: always met

## 02

### Taxation condition

The foreign corporation or foreign establishment

- is not subject to income tax;
- is subject to income tax < 50% Belgian CIT if it had been resident in Belgium.

Assumption (rebuttable) that taxation condition is fulfilled:

- EU list of non-cooperative jurisdictions;
- List of States with no or low taxation of art. 179 RD/BITC.

# CFC - Safe Harbours

## 01

### Substantial economic activity

- Proof of substance: offices, employees, equipment, ...
- Economic activity = offering of goods/ services on a market.

## 02

### Passive income < 1/3

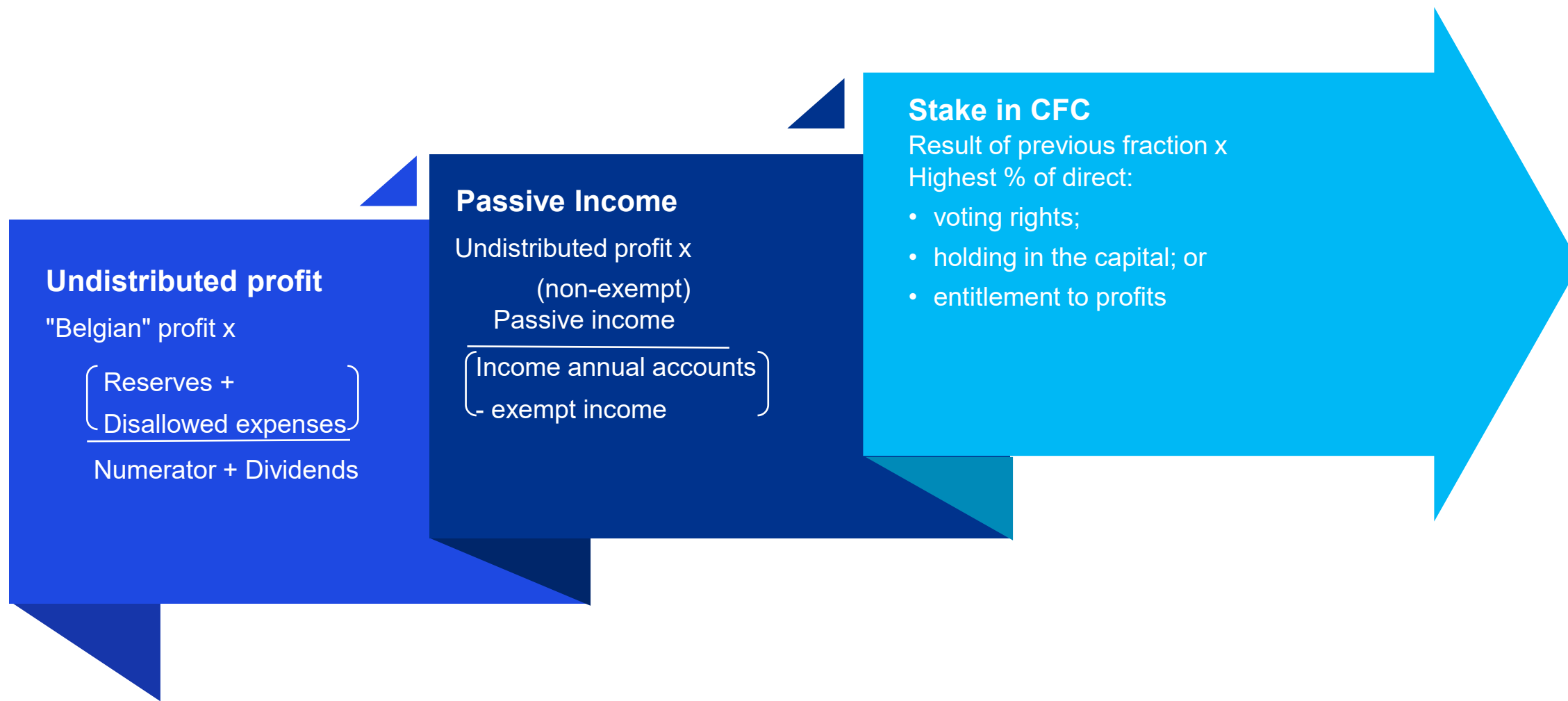
- If passive income < 1/3 of total income exemption is applicable.

## 03

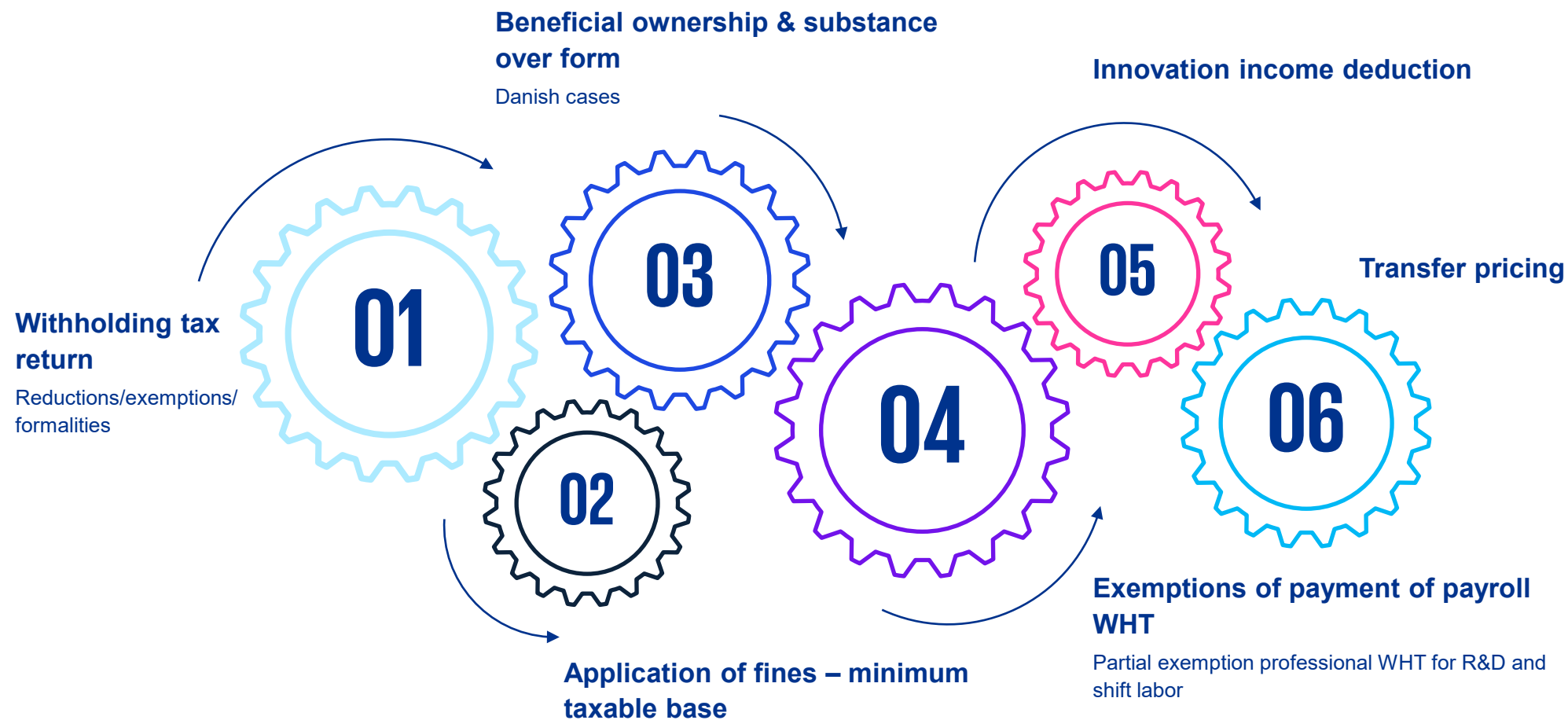
### Financial entities

- See list for ESR (art. 198/1 §6, 1°-12° BITC).
  - Insurance companies
  - FIIS/ GVBF
  - Collective Alternative Investments Undertakings
  - ...
- Passive income <1/3 from affiliated entities

# Calculation of CFC income



# Tax audits



**03**

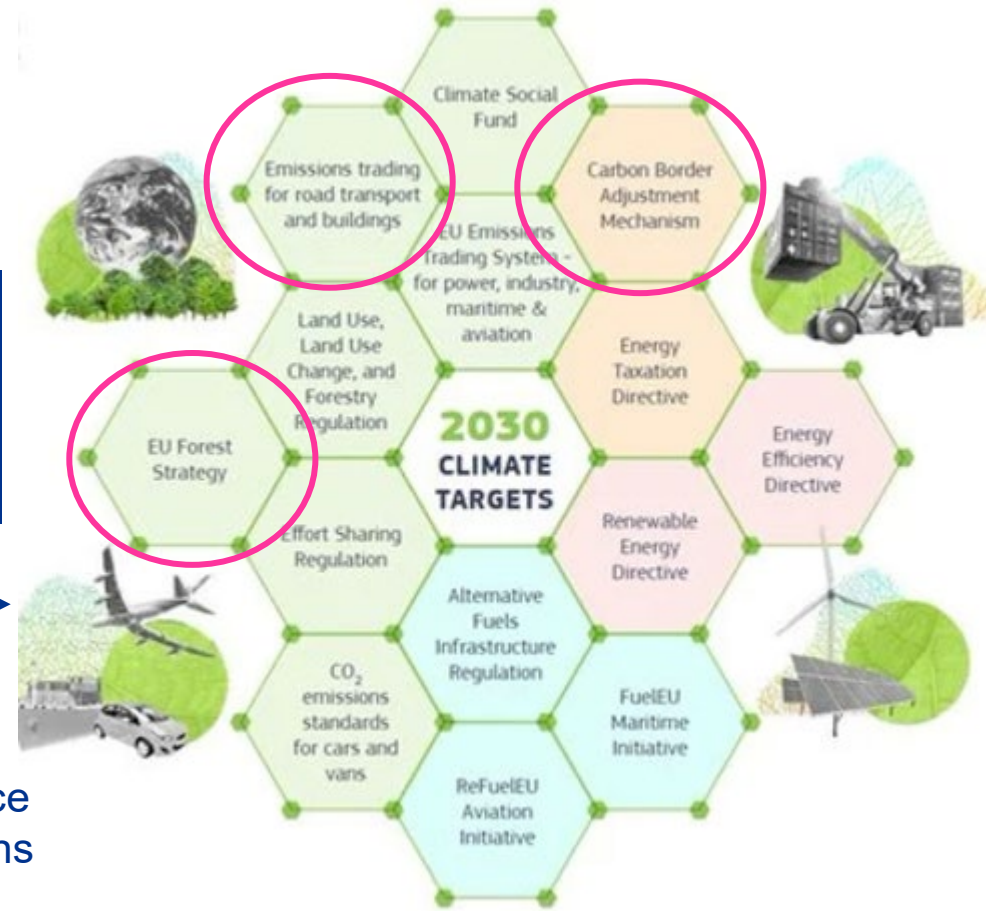
# **EU Green Deal - related topics update**

**Silvie Broekx – Tax Partner**

# The European Green Deal & Fit for 55



## Fit for 55 Package



General action plan to fight climate change.  
Preparatory path to meet the targets of the EGD.

**Milestone target: Reduce greenhouse gas emissions by 55% by 2030.**



# **Emission Trading System 2 - ETS 2**

# Timeline

The EU ETS is a cap and trade system that places a market-based price on carbon emissions of specified goods in certain covered sectors (~ €80 per ton end May 2023).



1 EU Allowance (EUA)  
= 1 ton of CO2



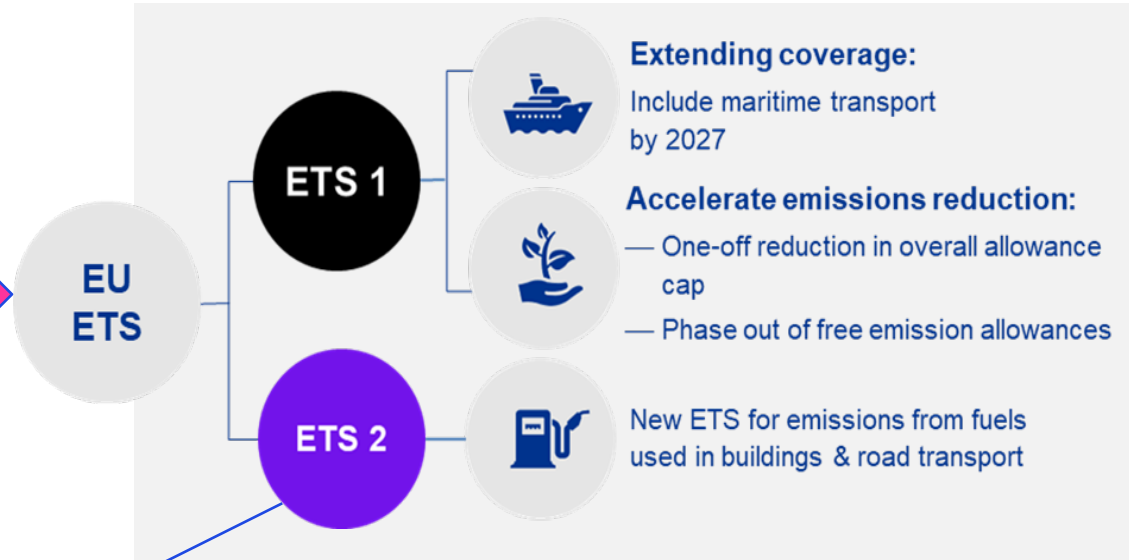
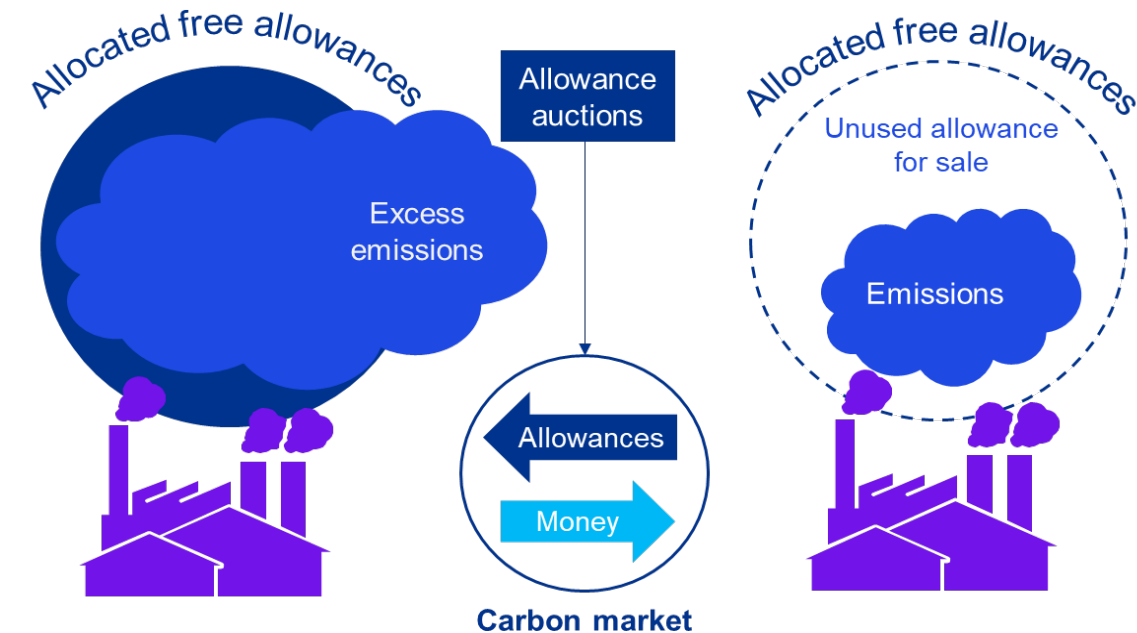
Designed to change behavior and reduce pollution



Supply of allowances is reduced over time



Free allowances issued to safeguard EU competitiveness



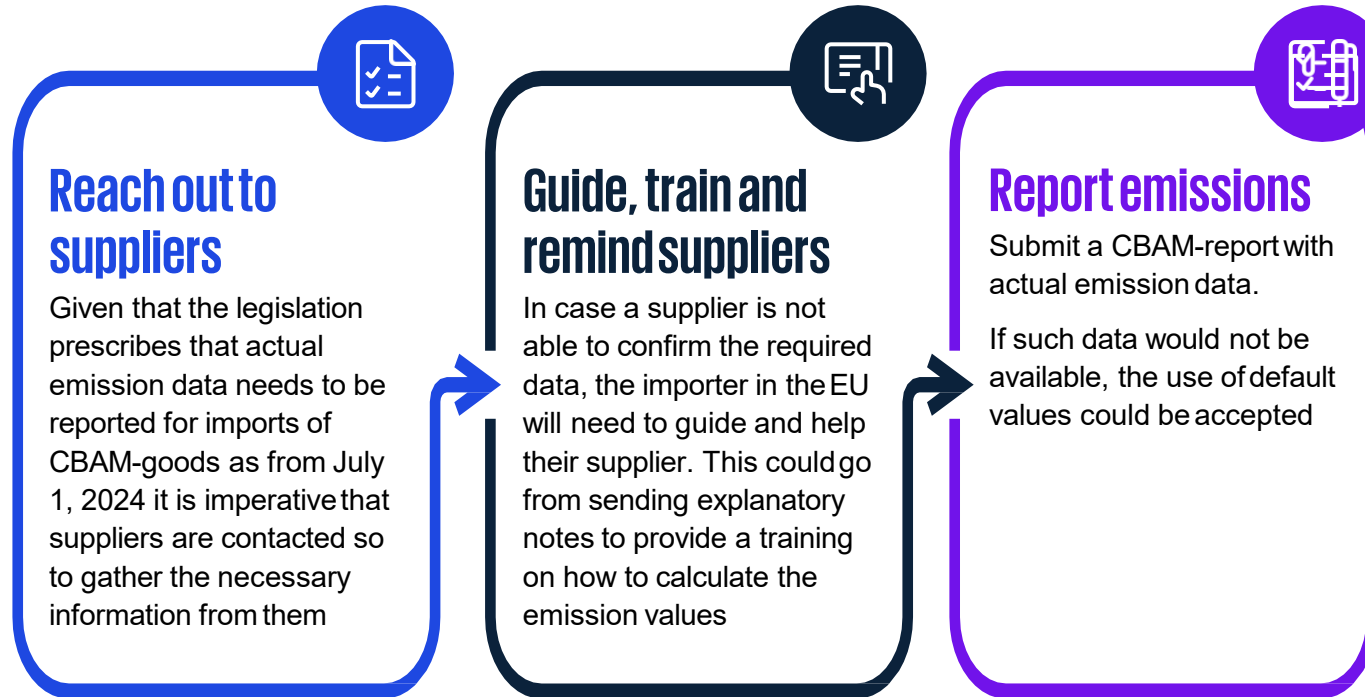
Monitoring and reporting of emissions as from 2025  
Fully operational in 2027

# **Carbon Border Adjustment Mechanism (CBAM)**

# Timeline



# What is still expected from you in the reporting phase?

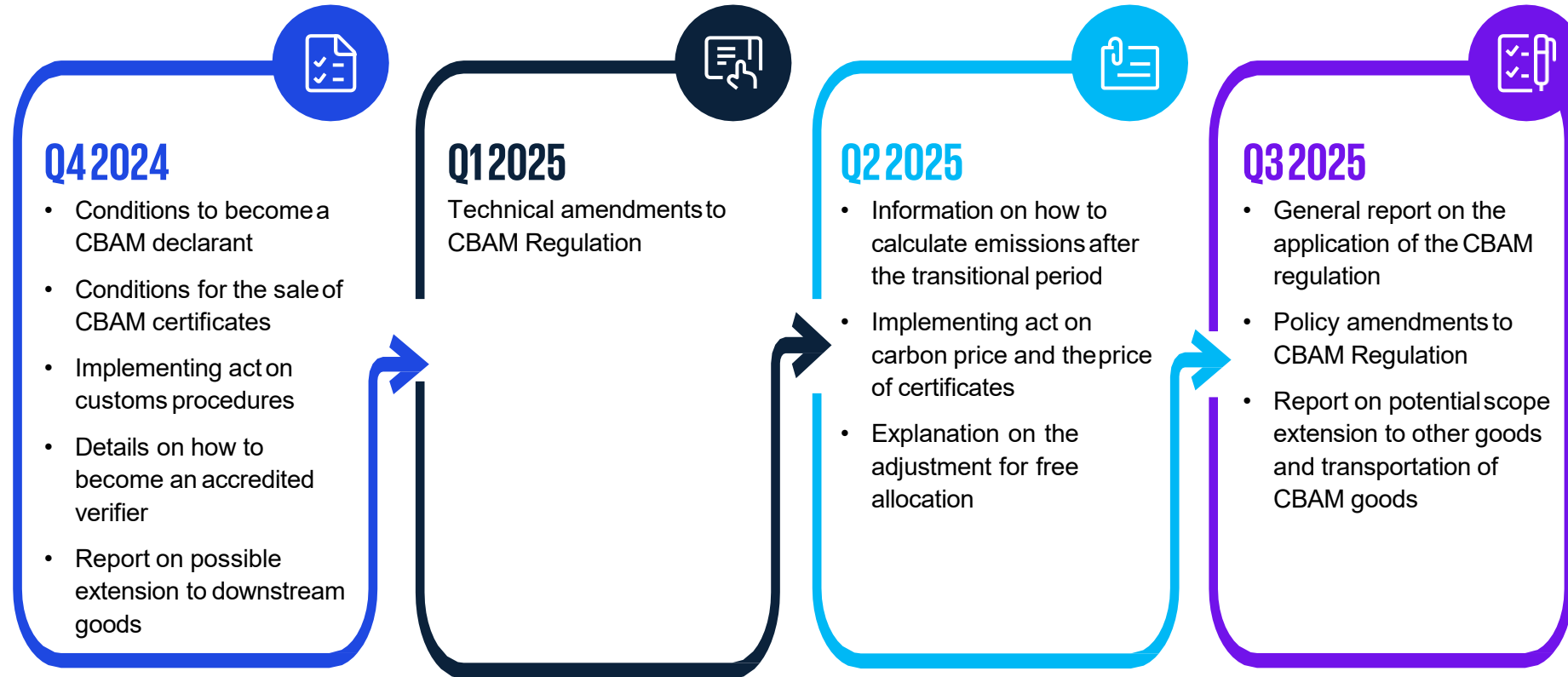


The NEA reserves the right to not accept the proof for and use of default values



Proof of supplier outreach will be required!

# What can you expect in the coming months?



  
Compliance assessment of the reports during the transitional phase

  
Monitor evolution and prepare

# **EU Deforestation- free products Regulation (EUDR)**

# Overview

## Global Deforestation

Trade with the EU is one of the biggest drivers of global deforestation.

The implementation of the EU Deforestation Regulation aims to reduce the impact of deforestation and forest degradation by 71,92 kha and reduce CO<sup>2</sup> emissions by 31,9 million metric tons per year.

## EU Green Deal

The EUDR is part of the EU green deal and a broader EU strategy to protect world's forests.

## Annex I - EUDR

Detailed information on the commodity codes covered under the EUDR

## EUDR Prohibition

*Goods shall not be placed or made available on the market or exported from the EU, unless the following conditions are fulfilled:*

- 1. Deforestation-free nature**
- 2. Legislation of country of production must be respected**
- 3. Due diligence statement must be provided**

## Main obligations

Businesses are required to demonstrate that the products falling within the scope of the EUDR, whether imported or exported from the EU, are sourced without contributing to deforestation, in accordance with the legal framework and traceable.

## Scope: overview of products



Cattle



Soya



Palm oil



Coffee



Rubber



Cocoa



Wood



# Due diligence

As a general rule, operators (and traders which are not SMEs) must exercise due diligence with regard to all products in scope of the Regulation, from each of their suppliers. This means they must put in place a [due diligence system](#). Operators sourcing commodities entirely from areas classified as low risk will be subject to [simplified due diligence obligations](#)



## 1. Collect information

[Collect information](#), documents and data showing that the product is deforestation-free and legal, such as geolocation coordinates, quantity, country of production, etc.



## 2. Risk assessment

[Assess](#) whether there is a risk the product does not comply with the rules. Operators need to demonstrate how the information gathered was checked against the risk assessment criteria and how they determined the risk.



## 3. Risk mitigation

Adopt adequate and proportionate [risk mitigation](#) procedures and measures if there is a risk that the product does not comply with the rules. Make sure that the risk becomes negligible.

# Timeline

## June, 2023

29 June : entry into force with implementation date December 30, 2024

## October – December 2024

Proposal to extend application date with 12 months

Negotiations still ongoing but expected to be concluded mid-December

## June 30<sup>th</sup>, 2025 June 30<sup>th</sup>, 2026

Deadline for micro and small enterprises to be EUDR compliant (date still under discussion)

Country benchmarking system (3-tier system) published

## November 2024

Registration to test and use the system will begin.

## December 30<sup>th</sup>, 2024 December 30<sup>th</sup>, 2025

Deadline for medium and big companies to be compliant with the regulation.

Actual date still under discussion



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# Regulatory update

Emmanuel Leroux



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- 03** Listing Act
- 04** CSRD – implementation into Belgian Law

**01**

**AI Act**



# What is the AI Act?

The AI Act is the first horizontal legislation in the EU to regulate AI systems and takes the leading role in setting the global gold standards on the field.



## Main objectives

(i) Safeguarding fundamental rights and (ii) product safety  
Cultivating innovation and competitive growth



## Risk - based approach

The AI Act introduces 4 risk categories and sets legal rules according to the level of risk.



## Providers vs. deployers

Different actors in the AI value chain will assume distinct roles and responsibilities.



## Extensive extraterritorial scope

The AI Act will govern not just AI systems developed by an EU provider, or put on the EU market, but also AI systems developed and used outside of the EU, but where the output of the system is intended for use in the EU.

## Penalties Regime up to

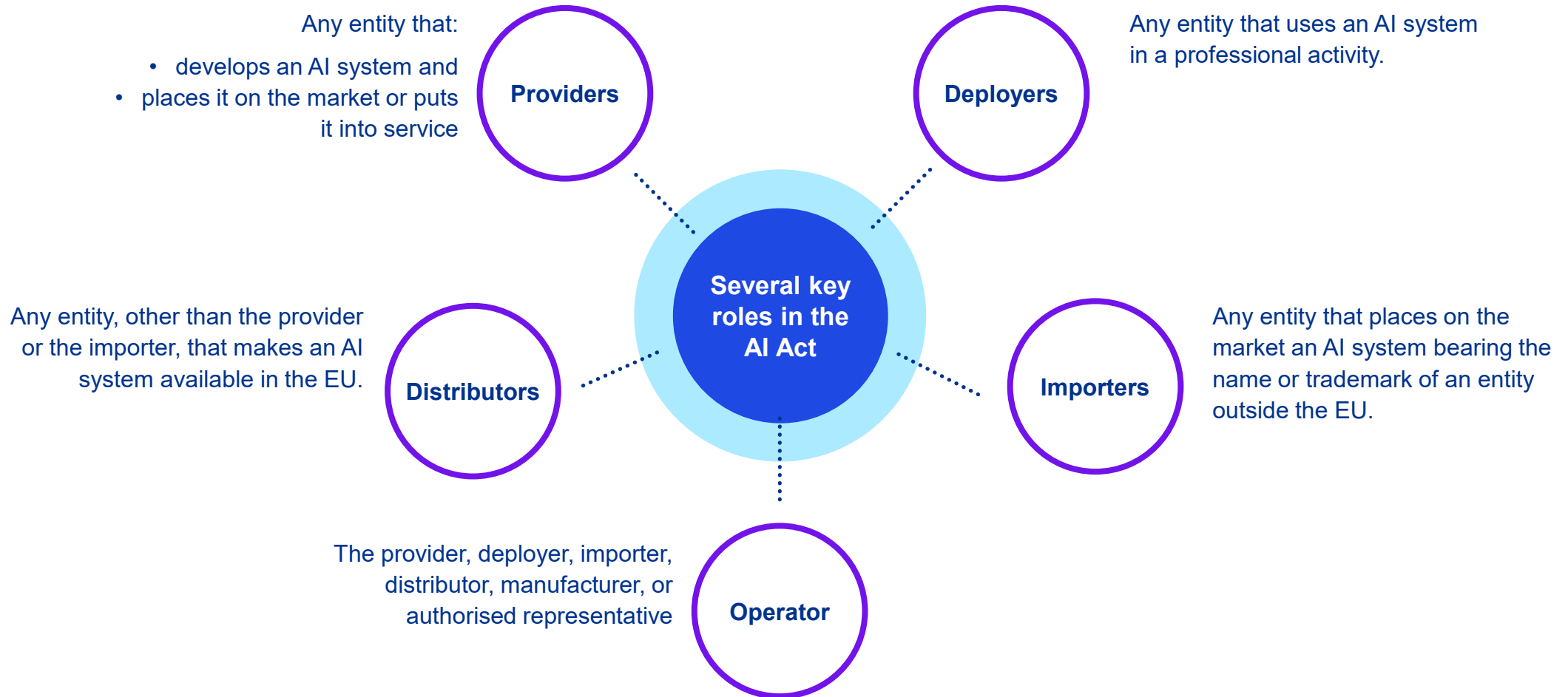
Fines for non-compliance:

# €35m

# 7%

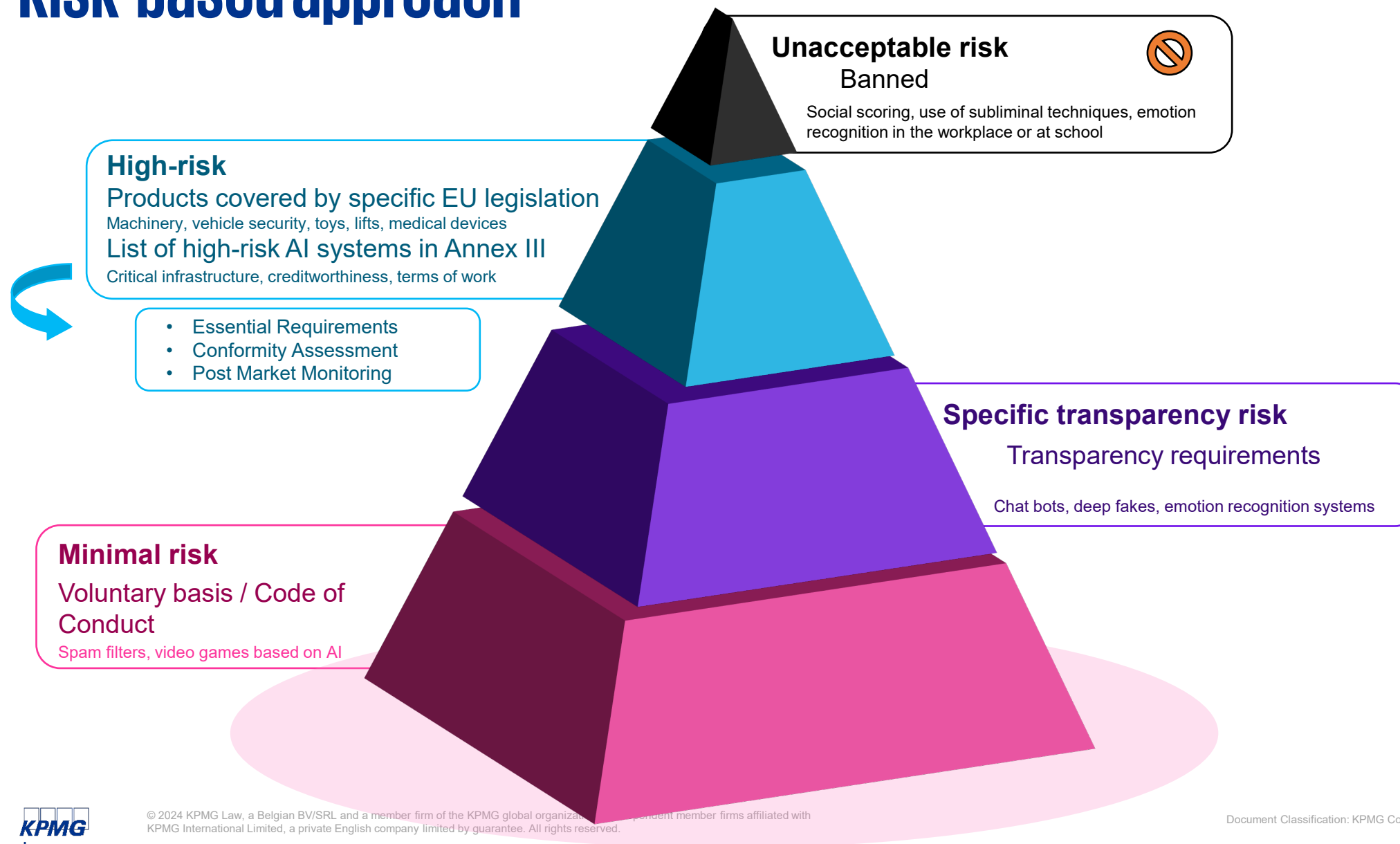
Company total worldwide annual turnover for the preceding financial year.

# Scope of the AI Act





# Risk-based approach



# Entry into effect



# Key legal challenges



## Interplay with GDPR

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Development and use of AI systems triggers the question of data privacy.

- Complementary frameworks
- Each with its own set of rules and obligations
- Already having in place the necessary data protection controls and policies will prove to be an advantage



## Liabilities

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Various liability regimes are to be taken into account.

- Allocation of liabilities in contracts between provider and deployer
- No specific attention to director liability in the AI Act
- Impact of new legislative initiatives
  - Product Liability Directive
  - AI Liability Directive



## Other legal challenges

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The AI Act does not answer everything.

- Consumer protection law
- Intellectual property law
- Competition law
- Product safety
- Sector specific regulations
- ...

**02**

# **NIS 2 – Directors' liability**

# What is NIS2?

The Network and Information Systems Directive 2 is a legislative framework established to enhance cybersecurity across the EU.



## Main objectives

Achieve a high common level of cybersecurity across the EU



## Two-fold Approach

- Obligations for MS to adopt national cybersecurity strategies and designate national cybersecurity authorities
- Obligations for companies to ensure the security of their NIS by taking appropriate and proportionate technical, operational and organisational measures, based on an all-hazards approach



## Extensive scope

- Essential and important entities → lists
- Non-EU companies if they provide services within the EU

Penalties  
Regime up to

€10m

2%

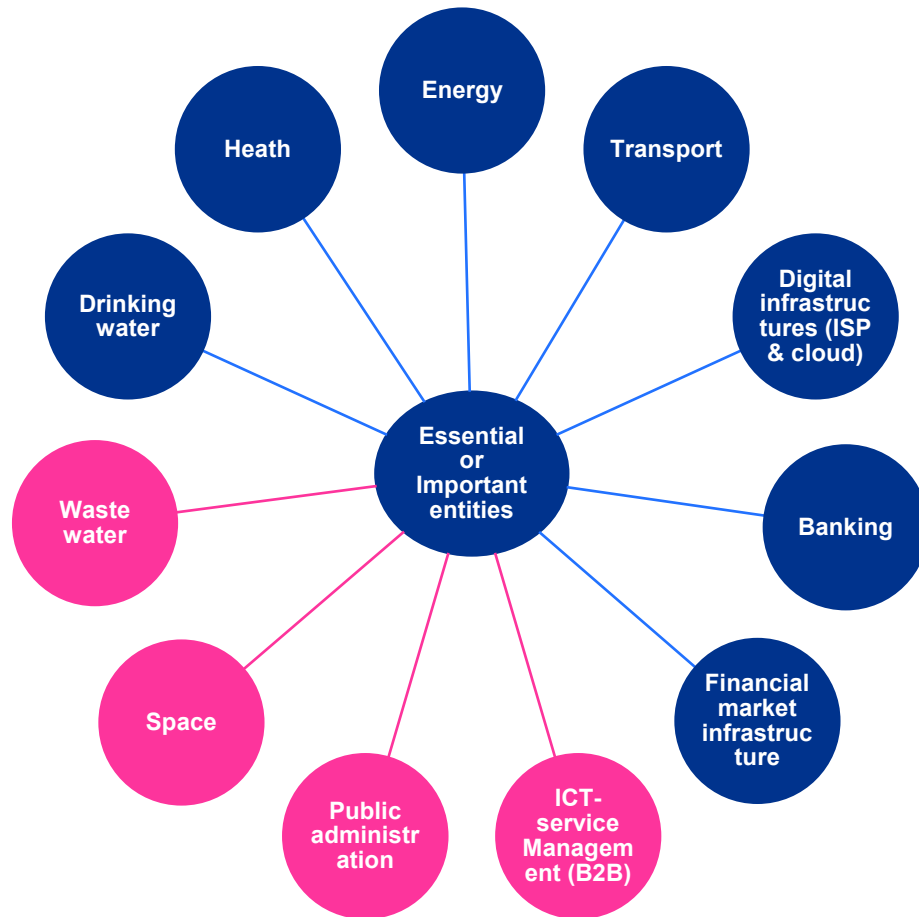
Company total worldwide annual turnover for the preceding financial year.

→ Without prejudice to sector-specific legislation (e.g. DORA)

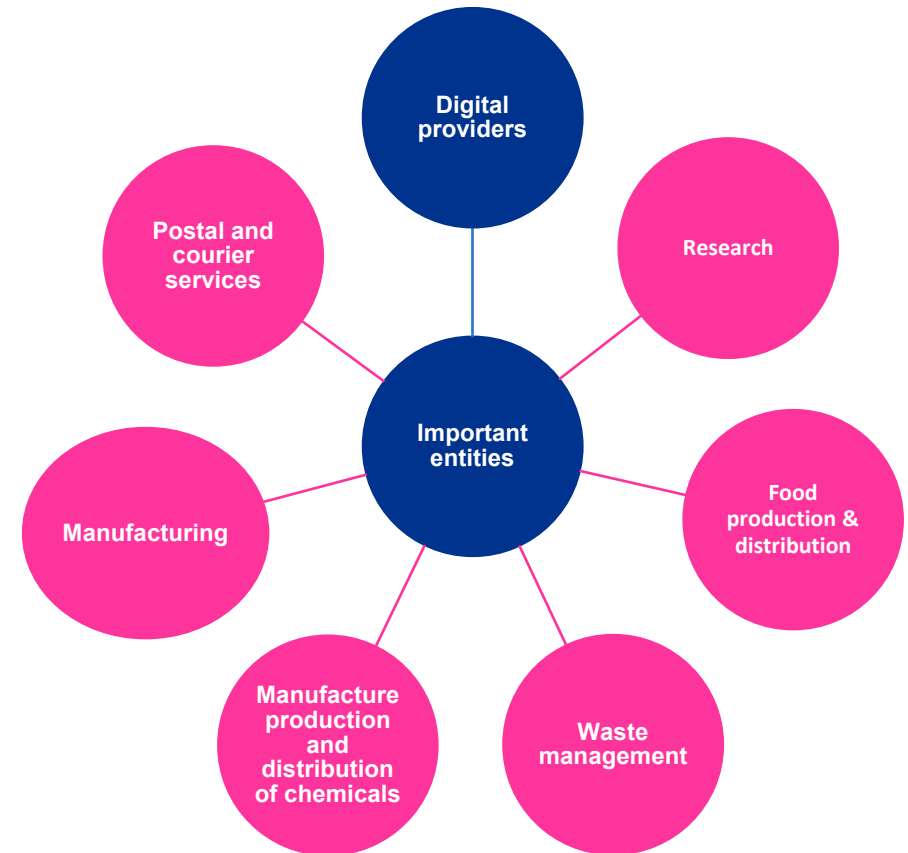
→ Implemented in BE Law of 26 April 2024 on the framework on the security of network and information systems

# Scope

## Annex 1: High Criticality



## Annex 2: Other Critical (Important)



NIS1 sectors are in navy blue and new sectors colored in Pink

# Obligations for entities in scope

## Essential + important entities

- should **register** with the National Cybersecurity Authority
- should ensure the security of their NIS by taking appropriate and proportionate technical, operational and organisational **measures**, based on an all-hazards approach
  - Management bodies **approve** the cybersecurity RM measures, **oversee** its implementation and can be held **liable** for infringements
  - Members of the management bodies must attend **trainings** in order to obtain sufficient knowledge and skills to identify risks and evaluate cybersecurity risk-management practices and their impact on the activities the entity is involved in
  - National Cybersecurity Authority may impose a temporary prohibition for a managing director to exercise leadership functions in the entity
- should **report** incidents without undue delay

**03**

# **EU Listing Act**



# What is the Listing Act?



## Main objectives

aims to simplify access to capital markets for companies, particularly SMEs, by reducing listing costs, easing financing conditions, and facilitating investor research. These measures, combined with other initiatives, are intended to revitalize European capital markets and boost their competitiveness.



## Amendments to existing capital markets legislative instruments

- Market Abuse Regulation
- Prospectus Regulation
- MiFIR

Further in the Listing Act Package are included:

- Amendments to MiFID II
- Introduction of a framework for the issuance and use of multiple voting rights shares

# Revision of the Market Abuse Regulation

Disclosure of inside information	Issuers are no longer required to immediately disclose every step of a protracted process. More possibility to delay disclosure until final event or circumstance.
Prompt disclosure in case of rumors	The initial requirement that rumors be "reliable" has been removed, simplifying disclosure conditions.
Insider lists	SMEs may benefit from a simplified format.
PDMR transactions	<ul style="list-style-type: none"><li>• threshold of 5,000 EUR is raised to 25,000 EUR</li><li>• exemption for closed periods for transactions not resulting from active investment decisions</li></ul>
Market sounding	Clarification that the procedural requirements for market soundings are not mandatory; procedure is only a "safe harbour" regime

# Revision of the Prospectus Regulation

Prospectus exemption	<ul style="list-style-type: none"> <li>• single threshold of 12 million EUR (over 12 months)</li> <li>• member states can require a simplified information document for offers between 5 million and 12 million EUR</li> </ul>
Increased exemption threshold for admissions in case of secondary issues	exemption threshold for publishing a prospectus when admitting fungible securities to trading increases from 20% to 30% (over 12 months)
Exemptions for public offers in case of secondary issues	offers of less than 30% of fungible securities are exempt from a prospectus (replaced by short-form document up to 11 pages with no prior regulator approval )
Issuers listed at least 18 months	<ul style="list-style-type: none"> <li>• possibility to do an offering and listing of an unlimited number of shares without publishing a prospectus, as long as a summary document is published, there is no takeover and the issuer is not in financial distress</li> <li>• EU Follow-On Prospectus (new class of securities / full exemption not available)             <ul style="list-style-type: none"> <li>- replaces the simplified regime for secondary issues</li> <li>- only one year of financial information</li> <li>- summary of 7 p. and limit of the document to 50 p.</li> </ul> </li> </ul>

# Revision of the Prospectus Regulation

Standardised format	<ul style="list-style-type: none"><li>• standardised and simplified format</li><li>• 300-page limit for IPO</li><li>• specific sustainability information requirements</li><li>• ability to incorporate new financial information by reference</li></ul>
Public offer modifications	reduction of minimum period between the publication and closing IPO from 6 to 3 days (shorter bookbuild period)
EU Growth Issuance	new format applicable to public offers of securities by SMEs and other issuers without securities admitted to a regulated market, primarily targeting SMEs and issuers on SME growth markets.

# Other measures

- **Reduction of free float requirement (25% → 10%) (amendment of MiFID II)**
- **Investors from outside the EU can also be included in the free float calculation (amendment of MiFID II)**
- **Companies with multiple-vote shares allowed on MTFs (with safeguards)**

**04**

**Implementation  
of CSRD into BE  
Law**

# Implementation of CSRD in BE Law

**Due date: 6 July 2024**

**Bill of Parliament 56-0416 – Adopted by Parliament on 28 November 2024**

**Some specificities retained by the BE legislator:**

- Audit committee monitors sustainability reporting and the assurance thereof
- Assurance either by the statutory auditor of the financial statements or independent assurance services provider
- Language of the registered office of the company (no English only)
- Can subsidiaries of the parent that are in scope of CSRD make use of the group exemption as per Article 19a para 9 or Article 29a para 8?
- Criminal sanctions for directors infringing the obligation to include sustainability information in the annual report [up to 80,000 EUR or, in case of fraud, imprisonment up to 1 year]
- Protection of SMEs:
  - SMEs that are not under public reporting obligations, but that are part of the value chain of a reporting entity, can not be required to provide more information than the information required under the European standards for SMEs and in all reasonableness
  - They can not be requested to provide assurance of their sustainability reporting



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