



# Consolidation requirements in Luxembourg 2025



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# Forward

**Consolidated accounts are aimed at providing financial information about a group of undertakings to shareholders and third parties.**

**Should an undertaking draw up consolidated accounts? Which accounting framework is allowed? Do listing requirements exist for consolidated accounts made available to the public? How do Luxembourg laws and regulations compare to those of other countries regarding consolidation?**

**These are among the questions considered by investors looking at the Grand Duchy of Luxembourg as a potential place of business — and the answers may not be neutral to their decision on whether or not to set up an undertaking here.**

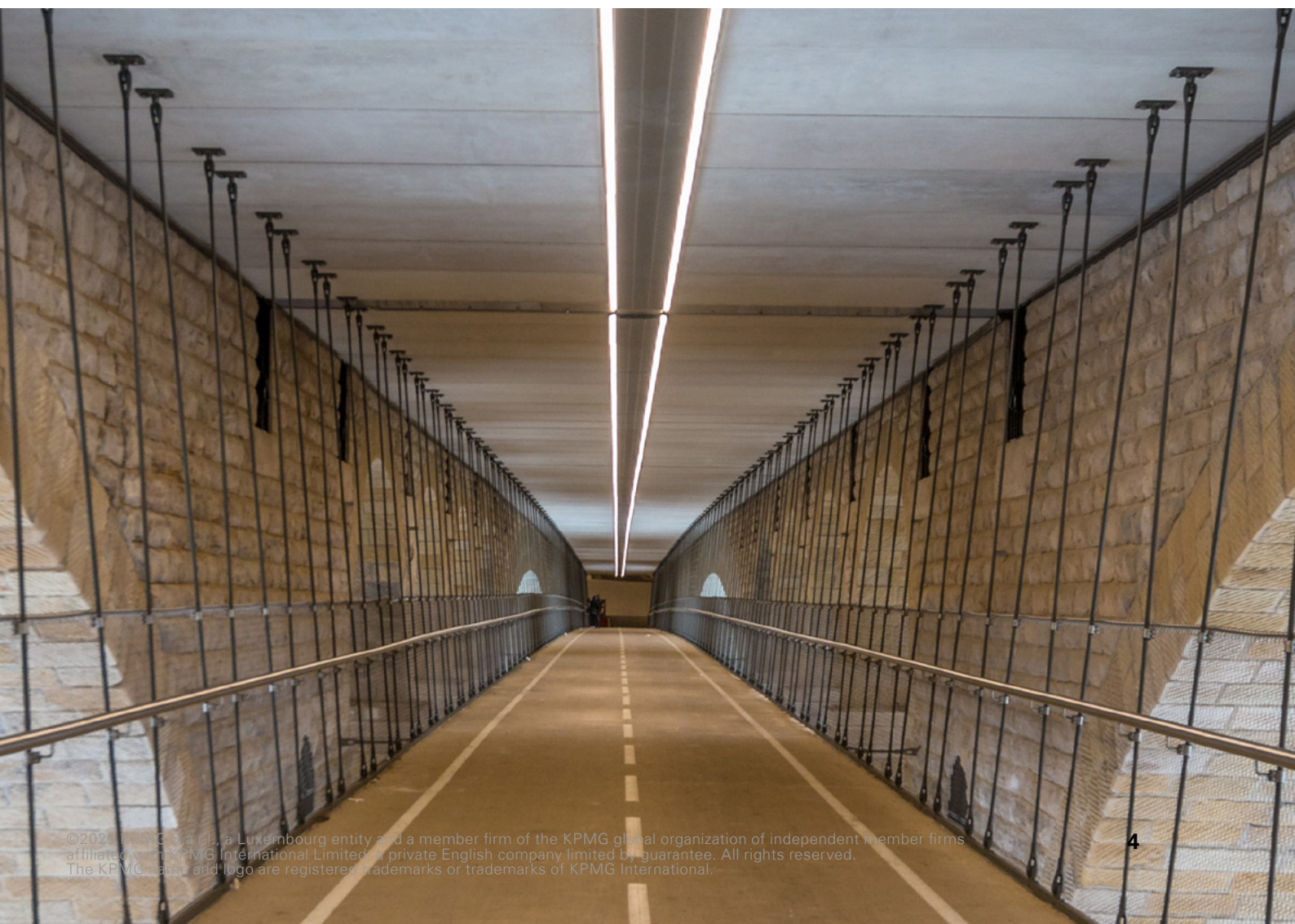
**The purpose of this brochure is to summarize the consolidation requirements applicable to undertakings having their registered office in the Grand Duchy of Luxembourg. The consolidation requirements, as well as the accounting framework and the disclosure requirements, audit, filing and publication requirements, are addressed by section XVI of the modified law of 10 August 1915 on commercial companies (the Law). The Law transposes the 2013/34/EU directive on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (the Directive). Luxembourg legislation is therefore based on rules that are shared with other European Union (EU) Member States.**

**The legal requirements discussed in this brochure are applicable to consolidated accounts for financial periods from 1 January 2016 onward.**

# Undertakings required to draw up consolidated accounts

The following types of Luxembourg undertakings fall within the scope of the Law and, hence, have to comply with the consolidation requirements as set out in the Law:

- public companies limited by shares (sociétés anonymes or S.A.)
- corporate partnerships limited by shares (sociétés en commandite par actions or S.C.A.)
- European companies (sociétés européennes or S.E.)
- private limited liability companies (sociétés à responsabilité limitée or S.à r.l.)
- general corporate partnership/unlimited companies (sociétés en nom collectif or S.N.C.) all of whose members with unlimited liability are joint stock companies
- limited corporate partnerships (sociétés en commandite simple or S.C.S.) all of whose members with unlimited liability are joint stock companies.



Credit institutions, insurance and reinsurance undertakings and pension savings companies with variable capital (sociétés d'épargne-pension à capital variable or SEPCAV) are out of scope of the Law.

Consolidation requirements pertaining to credit institutions and insurance and reinsurance undertakings are set out in their respective accounting laws.

A parent undertaking that mainly holds one or more subsidiaries to be consolidated that are credit institutions or insurance companies may opt for the drawing up of consolidated accounts in accordance with the accounting laws of the banking or insurance sector.

The following types of entities are excluded from the obligation to draw up consolidated accounts:

- S.N.C. other than those described above
- S.C.S. other than those described above
- SEPCAV
- Part II Funds
- investment companies in risk capital (sociétés d'investissement en capital à risque or SICAR)
- specialized investment funds (fonds d'investissement spécialisés or SIFs).

The financial information, including any consolidated accounts, of unregulated special limited partnerships (sociétés en commandite spéciale or SCSps) is ruled by their articles of incorporation.



# Criteria determining the requirement to draw up consolidated accounts

Any Luxembourg undertaking within the scope of the Law shall draw up consolidated accounts if it:

- has a majority of the shareholders' voting rights in another undertaking; or
- has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking and is at the same time a shareholder in that undertaking; or
- is a shareholder in an undertaking and controls alone, pursuant to an agreement with other shareholders in that undertaking, a majority of shareholders' voting rights in that undertaking.

When looking at consolidation requirements pertaining to credit institutions, insurance and reinsurance undertakings, holdings of insurance and reinsurance undertakings, the applicable accounting laws provide for the additional following criteria where the Luxembourg undertaking:

- has the power to exercise, or actually exercises, dominant influence or control over another undertaking; or
- that undertaking and another are managed on a unified basis.



## Frequently asked questions

### Does the size of the group affect consolidation requirements?

Consolidation requirements are triggered where control is exercised over at least one subsidiary. However, a small group may benefit from a consolidation exemption.

### How do IAS 27 and the Directive interact?

At the time IAS 27 was endorsed, the Commission and the EU Member States considered the interaction of IAS 27 with the Directive. They concluded that, where the Directive has been transposed into national law, IAS 27 would not override requirements regarding whether or when consolidated accounts have to be prepared.

In summary, national law dictates whether an EU undertaking is required to prepare consolidated accounts and when these must be prepared, whereas IFRS Accounting Standards as adopted by the EU dictates how to prepare those consolidated accounts.

### How does the Law interact with the Luxembourg law of 11 January 2008 on transparency requirements for issuers of securities?

The Luxembourg law of 11 January 2008 on transparency requirements for issuers of securities, as subsequently amended, does not require issuers for which Luxembourg is the home Member State to draw up consolidated accounts. Consolidation requirements are dictated by the Law or the equivalent national law in the Member State in which the undertaking is incorporated.

Where the issuer is not required to prepare consolidated accounts, the audited financial statements required by the Transparency law only comprise the annual accounts prepared in accordance with the national law of the Member State in which the undertaking is incorporated.

### Do listing requirements exist that may require consolidated accounts?

No, the rules of the Luxembourg Stock Exchange do not require consolidated accounts to be drawn up in circumstances other than those provided by the Law or the national law of the Member State in which the undertaking is incorporated.

# Consolidation methods

Consolidation methods are defined by the Law as follows.

- **Full consolidation**

The parent undertaking combines the annual accounts of the parent and its subsidiaries line by line. The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. Intragroup balances, transactions, income and expenses shall be eliminated in full.

- **Proportionate consolidation**

In preparing consolidated annual accounts, a jointly controlled undertaking is included in the consolidated accounts in proportion to the rights in its capital held by the undertaking preparing the consolidated accounts.

- **Equity method**

Where an undertaking included in a consolidation exercises a significant influence over the operations and the financial policy of an associated undertaking in which it holds a participating interest, the carrying amount of the participating interest is replaced by the parent's portion of equity of this participating interest.

# Eligible accounting framework

A Luxembourg undertaking may choose from the following accounting frameworks.

	IFRS (EU)	Lux GAAP + certain IFRS options	Lux GAAP + fair value option	Lux GAAP
<b>Listed undertakings</b>	Obligation	Not possible	Not possible	Not possible
<b>Credit institutions</b>	Optional	Optional	Optional	Common regime
<b>Insurance and reinsurance undertakings</b>	Optional	Optional	Optional	Common regime
<b>Other undertakings</b>	Optional	Not possible	Optional	Common regime

Undertakings whose securities are admitted to trading on a regulated market of a Member State of the EU shall prepare their consolidated accounts in conformity with IFRS Accounting Standards as adopted by the EU.

Other undertakings, including credit institutions and insurance and reinsurance undertakings, are allowed to opt for IFRS Accounting Standards as adopted by the EU.



**The Law allows any undertaking to draw up consolidated accounts under IFRS Accounting Standards as adopted by the European Union. The nature of the business and the intended users are key to selecting the most appropriate accounting framework in specific circumstances.**

**Fabrice Leonardi,**  
Partner, Audit  
**KPMG**



## Frequently asked questions

### **Are US GAAP or other foreign GAAPs accepted?**

US GAAP or other foreign GAAPs may be accepted on a case-by-case basis by the Luxembourg Ministry of Justice. Any Luxembourg undertaking within the scope of the Law and willing to use US GAAP or another foreign GAAP may apply to the Luxembourg Ministry of Justice for an individual exemption. Such request will be examined by the Commission des normes comptables ("CNC"). Any application to the Luxembourg Ministry of Justice for an individual exemption shall include detailed and valid explanations, as well as appropriate supporting evidence.

When a Luxembourg undertaking prepares its consolidated accounts under a foreign GAAP, following approval by the Ministry of Justice, it is common practice to include the result and equity reconciliation from the foreign GAAP to Luxembourg GAAP in the notes to the consolidated accounts.

# Consolidation exemptions

	Non- material subsidiaries	Small group	Parent/subsidiary	Scope exclusion of all subsidiaries
Credit institutions	✓		✓	
Insurance and reinsurance undertakings			✓	
Other undertakings	✓	✓	✓	✓

## Non-material subsidiaries

A parent undertaking shall be exempt from the obligation to draw up consolidated accounts if it only has subsidiary undertakings that are not considered to be material, either individually or as a whole.

## Small group exemption

A parent undertaking shall be exempt from the obligation to draw up consolidated accounts if, at the balance sheet date of the parent undertaking, the undertakings that would have to be consolidated do not together, on the basis of their latest annual accounts, exceed the limits of two of the three criteria set out below as per the [Grand-Ducal Regulation of 25 October 2024](#):

- balance sheet total: **EUR 25 million**
- net turnover: **EUR 50 million**
- average number of full-time staff employed during the financial year: **250**.

The criteria relating to the balance sheet total and net turnover may be increased by 20 percent if intercompany balances have not been cancelled out.

Where, on their balance sheet date, the undertakings that would have to be consolidated do not together exceed or cease to exceed the limits of two of the three criteria indicated above, that fact shall affect the application of the exemption only if it occurs in two consecutive financial years.

## Frequently asked questions

### How do the thresholds apply in practice?

If the group exceeds the limits as of 31.12.N and 31.12.N+1, the change in size is effective as of 31.12.N+2. Therefore, the group shall prepare consolidated accounts for the year ending on 31.12.N+2, with comparative figures as of 31.12. N+1.

If the group has ceased to exceed the limits as of 31.12.N and 31.12.N+1, the change in size is effective as of 31.12. N+2. The group is still required to prepare consolidated accounts for the year that ended on 31.12.N+1.

### How do the thresholds apply in practice for a newly created group?

The board of directors or the management board of the parent company shall in good faith establish forecasts to determine whether the group is expected to exceed two of the three criteria in its first financial year. The forecasts shall be established when the group is created.

If two of the three criteria are not expected to be exceeded, the parent company shall be exempted from the obligation to draw up consolidated accounts and a consolidated management report.

For further information, please refer to the [Q&A CNC 19/019](#).

### May a group avoid presenting comparative figures for the first set of consolidated accounts?

The Law provides that corresponding figures shall be disclosed in respect of each balance sheet and profit and loss account heading. The Law does not offer any exemption with regard to the first set of consolidated accounts.

This also means that a réviseur d'entreprises agréé (statutory auditor), auditing the first set of consolidated accounts, will perform procedures on opening balances, i.e. comparative figures.

### Why have the monetary thresholds been revised upward?

The revision of these thresholds is a result of the transposition of Delegated (EU) Directive 2023/2775 of 17 October 2023 into national law. This Directive revised the thresholds ten years after they had been first determined in Directive 2013/34/EU, to cater for inflation and resulting indexation. This revision was also necessary to ensure the proper scoping of entities for the purposes of corporate sustainability reporting (Directive (EU) 2022/2464).

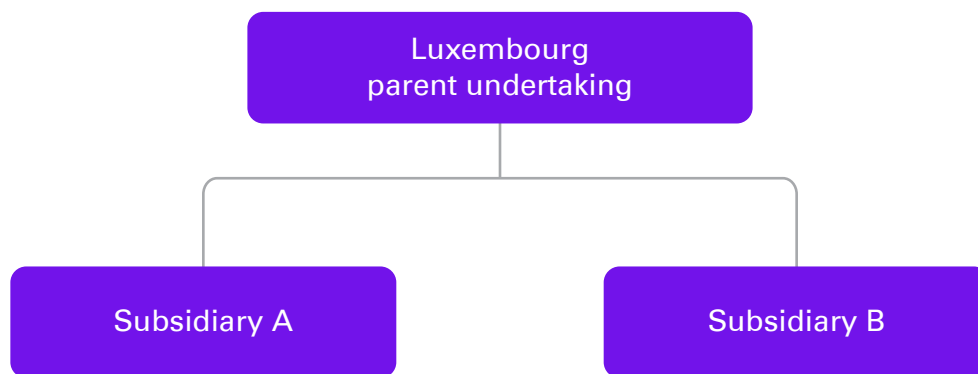
### What is the applicability date of these revised monetary thresholds?

The new thresholds are applicable for financial periods beginning on or after 1 January 2023. For further information, please refer to the [Q&A CNC 24/034](#).

### Potential pitfall

This exemption does not apply:

- where one of the undertakings to be consolidated is an undertaking, the securities of which are admitted to trading on a regulated market of a Member State of the EU; or
- to credit institutions, insurance and reinsurance undertakings, or holdings of insurance and reinsurance undertakings.



**Are securities admitted to trading on a regulated market of a Member State of the EU?**

### EU Parent/subsidiary exemption

#### First scenario

The EU parent undertaking holds at least 90 percent of the shares of the Luxembourg subsidiary

Any Luxembourg parent undertaking that is also a subsidiary shall be exempt from the obligation to draw up consolidated accounts if its own parent undertaking is governed by the law of a Member State of the EU, in the following two cases:

- where that EU parent undertaking holds all of the shares in the exempted undertaking; or
- where that EU parent undertaking holds 90 percent or more of the shares in the exempted undertaking and the remaining shareholders in that exempted undertaking have approved the exemption.



The exemption is subject to all of the following conditions:

1. The exempted undertaking and all of its subsidiaries are fully consolidated in the accounts of a larger body of undertakings, the parent undertaking of which is governed by the law of a Member State of the EU.
2. The consolidated accounts and the consolidated management report of the larger body of undertakings shall be drawn up by the parent undertaking of that body and audited.
3. The consolidated accounts and the consolidated management report of the larger body of undertakings, as well as the related audit report, shall be published by the exempted undertaking with the Luxembourg Trade and Companies Register (Registre de commerce et des sociétés or RCS) within one month of their approval.
4. The notes to the annual accounts of the exempted undertaking must disclose:
  - the name and registered office of the parent undertaking that draws up the consolidated accounts; and
  - the exemption from the obligation to draw up consolidated accounts and a consolidated management report.

## Frequently asked questions

### What happens when the EU parent undertaking prepares consolidated accounts on a voluntary basis?

In some situations, the parent undertaking is not legally required to prepare consolidated accounts but still prepares them on a voluntary basis. The nature of any audit assignment, whether legal or contractual, is to be assessed on a case-by-case basis.

The parent/subsidiary exemption may be applicable provided that the Luxembourg subsidiary fulfills all the conditions set out above, and in particular that the consolidated accounts and the consolidated management report of the larger body of undertakings, as well as the related audit report, are published by the exempted undertaking with the Luxembourg Trade and Companies Register within one month of their approval.

## Second scenario

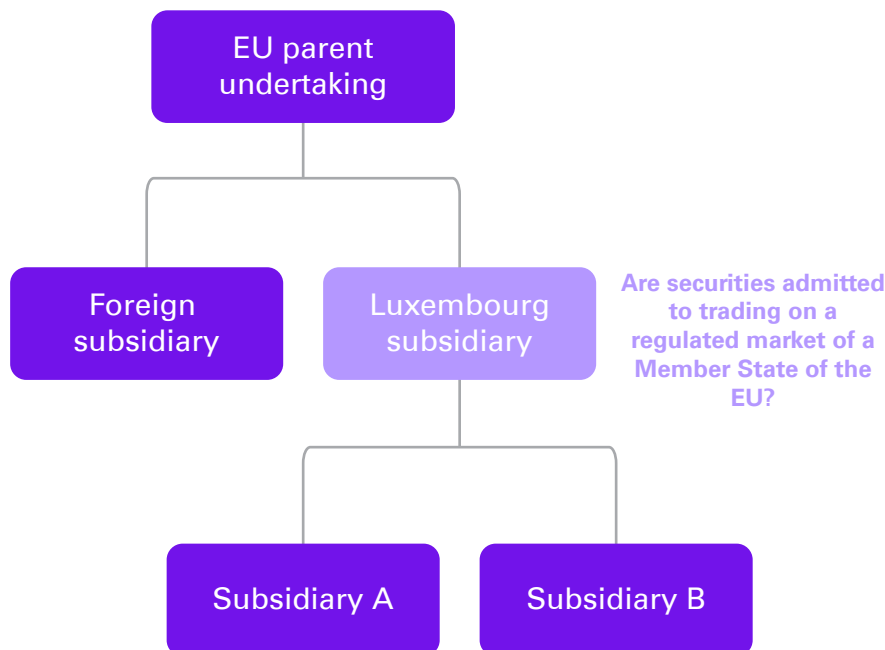
The EU parent undertaking holds at least 50 percent but less than 90 percent of the shares of the Luxembourg subsidiary

Any parent undertaking that is also a subsidiary shall be exempt from the obligation to draw up consolidated accounts if its own parent undertaking is governed by the law of a Member State of the EU, provided that:

1. all the conditions listed above in the first scenario are fulfilled, and
2. the shareholders in the exempted undertaking, who own at least 10 percent of the subscribed capital of that undertaking if it is an S.A. or an S.C.A., and at least 20 percent if it is a S.à r.l., have not requested the preparation of consolidated accounts at least six months before the end of the financial year.

## Potential pitfall

This exemption does not apply where a Luxembourg parent undertaking that is also a subsidiary of a parent undertaking governed by the law of another Member State has securities admitted to trading on a regulated market of a Member State of the EU.



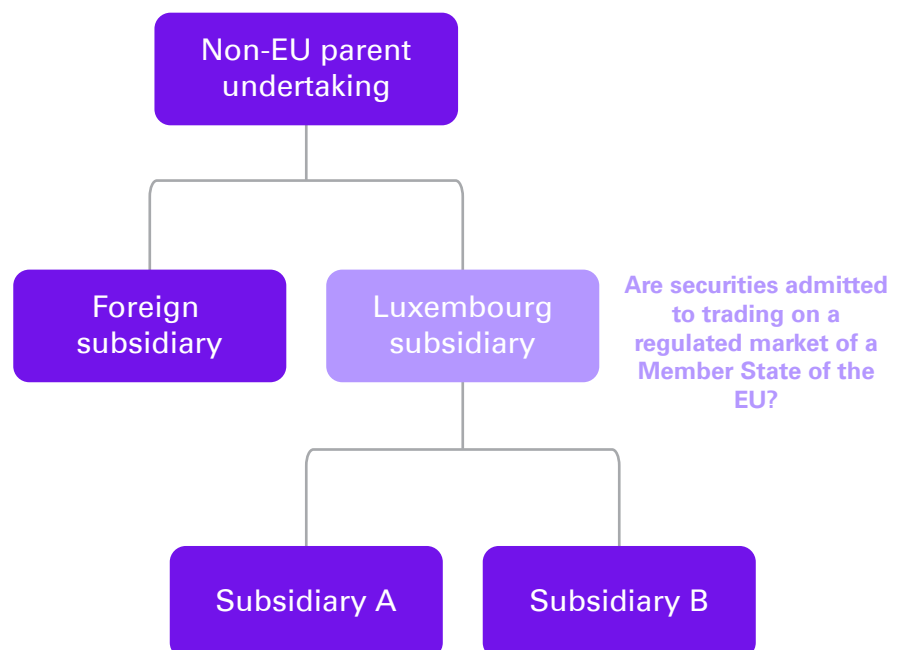
### Non-EU parent/subsidiary exemption

Any parent undertaking that is also a subsidiary shall be exempt from the obligation to draw up consolidated accounts if its own parent undertaking is governed by the law of a non Member State of the EU, as long as all of the following conditions are fulfilled:

1. The exempted undertaking and all of its subsidiaries are fully consolidated in the accounts of a larger body of undertakings.
2. The consolidated accounts and, where appropriate, the consolidated management report must be drawn up in accordance with the Directive or in a manner equivalent thereto.
3. The consolidated accounts must have been audited.
4. The consolidated accounts and the consolidated management report of the larger body of undertakings, as well as the related audit report, shall be published by the exempted undertaking with the Luxembourg Trade and Companies Register within one month of their approval.
5. The notes to the annual accounts of the exempted undertaking must disclose:
  - the name and registered office of the parent undertaking that draws up the consolidated accounts; and
  - the exemption from the obligation to draw up consolidated accounts and a consolidated management report.
6. The shareholders in the exempted undertaking, who own at least 10 percent of the subscribed capital of that undertaking if it is an S.A. or an S.C.A., and at least 20 percent if it is an S.à r.l. (for credit institutions, insurance and reinsurance undertakings, and holdings of insurance and reinsurance undertakings: in the case of another type of undertaking), have not requested the preparation of consolidated accounts at least six months before the end of the financial year.

### Potential pitfall

This exemption does not apply where a Luxembourg parent undertaking that is also a subsidiary of a parent undertaking governed by the law of a non-Member State of the EU has securities admitted to trading on a regulated market of a Member State of the EU.



## Frequently asked questions

### What happens when the non-EU parent undertaking prepares consolidated accounts on a voluntary basis?

In some situations, the parent undertaking is not legally required to prepare consolidated accounts but still prepares them on a voluntary basis. These consolidated accounts are then audited on a contractual basis.

The parent/subsidiary exemption may be applicable provided that the Luxembourg subsidiary fulfills all the conditions as set out above, and in particular that the consolidated accounts and the consolidated management report of the larger body of undertakings, as well as the related audit report, are published by the exempted undertaking with the Luxembourg Trade and Companies Register within one month of their approval.

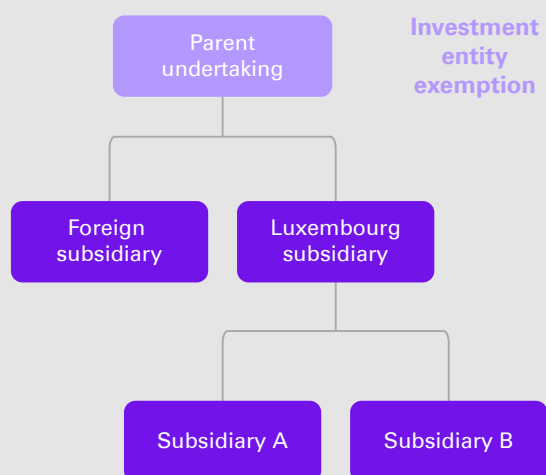
### Which accounting framework is equivalent to the Directive?

The CNC has expressed a view about the equivalence of accounting frameworks with the Directive.

Consolidated accounts of a larger body of undertakings are drawn up in a manner equivalent to the Law when these consolidated accounts are prepared in accordance with:

- Lux GAAP, Lux GAAP + fair value option or IFRS Accounting Standards as adopted by the European Union
- a GAAP of one of the Member State of the European Union or of the European Economic Area, i.e. Norway, Iceland and Liechtenstein
- a GAAP considered as equivalent to IFRS as adopted by the European Union. The European Commission adopted a regulation that identified the following GAAPs as equivalent to IFRS Accounting Standards as adopted by EU:
  - IFRS Accounting Standards – IASB
  - US GAAP
  - Japanese GAAP
  - Chinese GAAP
  - Canadian GAAP
  - GAAP of South Korea
  - GAAP of India
- a GAAP determined as equivalent by the Luxembourg undertaking, knowing that — as a general rule — local GAAPs resulting from a national endorsement of IFRS Accounting Standards (e.g. AASB Australia, HKFRS standards of Hong Kong, TAS/IFRS Standards of Turkey) are deemed equivalent to the Law.

**May a Luxembourg undertaking refer to the financial statements of a parent undertaking applying the investment entity consolidation exemption?**



The Law requires a Luxembourg undertaking that controls at least one subsidiary to draw up consolidated accounts. The Luxembourg undertaking that is a sub-group of a foreign parent undertaking may be exempt from the obligation to draw up consolidated accounts if the Luxembourg undertaking meets all the conditions of the parent/subsidiary exemption set out by the Law.

The foreign parent undertaking of the Luxembourg undertaking may draw up financial statements in accordance with IFRS Accounting Standards and use the investment entity consolidation exemption. In this case, the foreign parent undertaking does not consolidate its subsidiaries — including the Luxembourg undertaking — and measures any investment in a subsidiary at fair value through profit or loss.

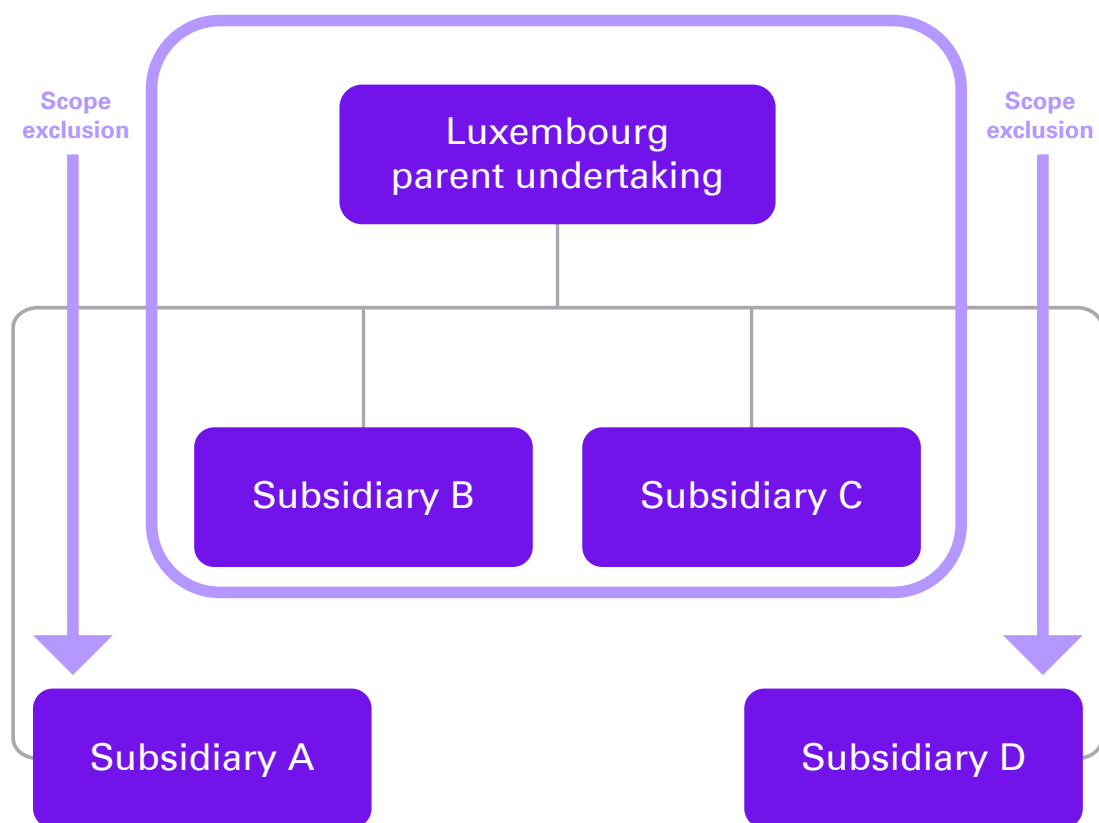
The CNC has expressed a view stating that, in such a scenario, the Luxembourg undertaking may refer to the financial statements of the foreign parent undertaking and use the parent/subsidiary exemption set out by the Law. The financial statements of the foreign parent undertaking shall be filed with the Luxembourg Trade and Companies Register and published.

## Scope exclusions of all subsidiaries

Where a Luxembourg undertaking is required by the Law to draw up consolidated accounts, it may look for possible scope exclusions. This means that consolidated accounts are drawn up but one or more subsidiaries may not be consolidated.

The Law provides for consolidation exclusions in consolidated accounts drawn up in accordance with Lux GAAP as follows:

	Immateriality	Restricted exercise	Cost/Delay	Subsequent resale
Credit institutions	✓	✓	✓	✓
Insurance and reinsurance	✓	✓	✓	✓
Other undertakings	✓	✓	✓	✓



An undertaking need not be included in consolidated accounts where:

- It is not material for the purposes of providing a true and fair view.
  - But where two or more undertakings are individually considered not material, they must nevertheless be included in consolidated accounts if, as a whole, they are material for the purposes of providing a true and fair view.
- Severe long-term restrictions substantially hinder the parent undertaking in the exercise of its rights over the assets or management of that undertaking.
- The information necessary for the preparation of consolidated accounts in accordance with the Law cannot be obtained without disproportionate expense or undue delay.
- The shares of that undertaking are held exclusively with a view to their subsequent resale.

When all the subsidiaries of an undertaking (other than a credit institution or insurance or reinsurance undertaking) are excluded from the consolidation scope based on the above conditions, the parent undertakings shall be exempt from drawing up consolidated accounts.



**While the exemption appears useful at first sight, many private equity houses have elected to continue preparing consolidated accounts. Conditions that affect this decision include:**

- **disclosure of proprietary/confidential information (fair value)**
- **the necessity to prepare consolidated financial statements due to contractual arrangements (e.g. bank covenants)**
- **the desire of the stakeholders to publish accounts at a Luxembourg level rather than in the country(ies) of the target company(ies).**



**Thierry Ravasio,**

Partner, Audit

**KPMG**

## Frequently asked questions

### What does the phrasing “with a view to their subsequent resale” mean?

The CNC has expressed a view about the phrasing “with a view to their subsequent resale” in the specific case of investment companies investing in risk capital (venture capital or private equity) that are not regulated as a SICAR and yet meet the criteria set out below.

Irrespective of the obligation resulting from other legal or regulatory requirements, including those of a prudential nature and/or of the shareholders’ right to request their undertaking to draw up consolidated accounts, any investment company investing in risk capital (venture capital or private equity) can exclude subsidiaries from the consolidation scope under the following conditions:

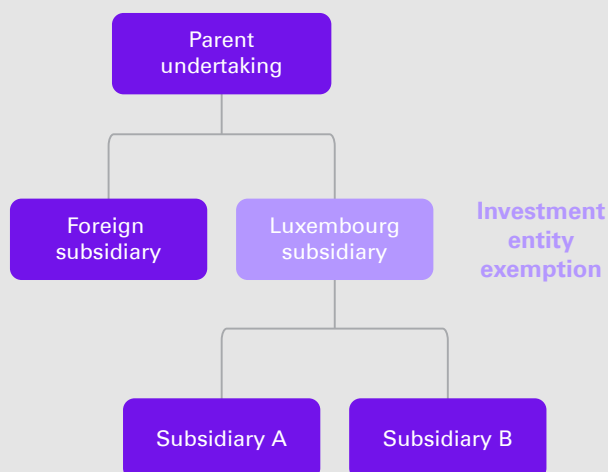
1. The undertaking is an undertaking under Luxembourg law held by one or several well-informed investors.
2. Its exclusive aim is to place its assets in one or several securities representing risk capital, which is defined as the direct or indirect contribution to one or several undertakings in view of their launch, their development or their listing on a stock exchange. This investment is held by the undertaking with the intention to resell at a profit.
3. Its management or governance body formally defines ex ante an exit strategy in a written document communicated to its investors (within the framework of their investment policy) and that involves the intention of a divestment on a mid-term basis, generally within three to eight years. This investment policy is different from a strategic investment held without a predefined exit date.
4. Its objective is to provide its investors with the benefit of the profits obtained out of the management of its investment(s) in return for the risk they have incurred.
5. If the investment is not carried at fair value in the balance sheet, the fair value shall be disclosed in the notes to the annual accounts of the undertaking in order to provide relevant information to its investors.
6. Any event, guarantee or uncertainty that might have a significant impact on the continuity of the undertaking’s activities, or on its cash flow situation, its liquidity or its solvency, must be adequately disclosed in the notes to the annual accounts of the undertaking.

### What shall a parent undertaking that excludes all of its subsidiaries from consolidation disclose in its annual accounts?

When a parent undertaking excludes all of its subsidiaries from consolidation, it shall disclose in the notes to the annual accounts the following information:

- the names and registered office of the undertakings excluded from the consolidation
- the proportion of the capital held in the undertakings excluded from the consolidation
- the reasons for the exclusion of the undertakings from the consolidation.

## May a Luxembourg undertaking use the investment entity consolidation exemption?



The Law requires a Luxembourg undertaking that controls at least one subsidiary to draw up consolidated accounts.

The Luxembourg undertaking may draw up financial statements in accordance with IFRS Accounting Standards as adopted by EU and use the investment entity consolidation exemption. In this case, the Luxembourg undertaking does not consolidate its subsidiaries and measures any investment in a subsidiary at fair value through profit or loss.

The CNC has expressed a view stating that, in such a scenario, the financial statements of the Luxembourg undertaking meet the consolidation requirements set out by the Law. These financial statements shall be filed with the Luxembourg Trade and Companies Register and published instead of consolidated accounts.

# Other aspects with regard to consolidated accounts

## Layout

Undertakings drawing up consolidated accounts under Lux GAAP shall use the layout of the consolidated profit and loss account and consolidated balance sheet set out by the Grand-Ducal regulation of 18 December 2015 on the form and content of the balance sheet and profit and loss layouts. The two layouts of balance sheet and two layouts of profit and loss account set out by articles 10, 11 and 13 of Directive 2013/34/EU may also be used for drawing up the consolidated accounts.

Undertakings may opt for a banking or insurance layout for the consolidated accounts if one or several subsidiaries are banks or insurance companies.

## Consolidated notes

The Law defines the content of the notes to the consolidated accounts drawn up in accordance with Lux GAAP.

Undertakings drawing up consolidated accounts in conformity with IFRS Accounting Standards as adopted by the EU, whether on a mandatory or optional basis, shall comply both with IFRS disclosure requirements and with Luxembourg specific requirements as to the content of the notes to the consolidated accounts, i.e.:

- average number of staff employed during the financial year
- emoluments/pensions granted to (former) directors
- advances, loans and guarantees granted to directors
- total fees charged by each réviseur d'entreprises agréé
- information on the consolidation scope.

## Frequently asked questions

### Does a S.à r.l. need to have consolidated accounts?

Provided that the S.à r.l. exercises control over at least one subsidiary, managers of the S.à r.l. are responsible for drawing up consolidated accounts and having them audited by a réviseur d'entreprises agréé.

## **Consolidated management report and corporate governance report**

Luxembourg undertakings scoped in by the Law shall prepare a consolidated management report.

Where undertakings have securities admitted to trading on a regulated market of a Member State of the EU, this consolidated management report shall include a description of the main features of the group's internal control and risk management systems in relation to the process for preparing consolidated accounts.

## **Other information**

The Law requires large undertakings and public interest entities that are active in the extractive industry or logging of primary forests to draw up a separate annual consolidated report disclosing material payments to governments in the countries in which they operate.

## **Audit of the consolidated accounts**

Where consolidation is required by the Law, consolidated accounts shall be audited by a réviseur d'entreprises agréé.

The réviseur d'entreprises agréé shall express an opinion on:

- whether the consolidated management report is consistent with the consolidated accounts for the same financial year; and
- whether the consolidated management report has been prepared in accordance with the applicable legal requirements.

## **Filing and publication**

Consolidated accounts duly approved by the general meeting of shareholders, the consolidated management report, the consolidated report on the corporate governance statement and the consolidated report on payments made to governments if any, together with the audit report of the réviseur d'entreprises agréé, shall be filed with the Luxembourg Trade and Companies Register and published.

## **Responsibility for the consolidated accounts**

The Law provides for a collective duty for the members of the administrative, management and supervisory bodies to prepare and publish the consolidated accounts (in accordance with the Law and/or IFRS Accounting Standards, if applicable), the consolidated management report and, when relevant, the corporate governance statement and the consolidated report on payments to governments. The Law includes criminal provisions in this respect.

## **Specific parent/subsidiary regime**

When a parent undertaking is governed by the law of a Member State of the EU and is preparing consolidated accounts, a Luxembourg subsidiary included in this consolidation may be exempted from the obligation to draw up annual accounts, to have them audited by a réviseur d'entreprises agréé and to publish them with the Luxembourg Trade and Companies Register, provided certain conditions protecting third parties are met.



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