Standards for Annual Reporting

Edition 2025 and 2026

Introduction

The Dutch Accounting Standards Board (DASB - Raad voor de Jaarverslaggeving - RJ) has recently published the 2026 edition of the Standards for Annual Reporting for large and medium-sized legal entities. Unless stated otherwise, the revised Standards in this edition apply to financial years starting on or after 1 January 2026 (financial year 2026). Earlier application is recommended, unless otherwise specified in the Standards.

This factsheet provides an overview of the most important amended provisions applicable for financial year 2026. It does not identify changes with respect to specific industries. To provide a complete overview, this factsheet starts with a summary of the main changes to the Standards that came into effect for financial years beginning on or after 1 January 2025 (financial year 2025). In addition, other developments, such as Sustainability Reporting are included.

We conclude the factsheet with an overview of the main changes for small legal entities as included in the Standards for micro and small legal entities, which have been published simultaneously with the Standards for large and medium-sized legal entities.

Overview of the main changes

Main changes applicable from financial year 2025

Employee benefits

Vitality schemes

The DASB included amendments in paragraph 2 ‘Remuneration during employment’ of Standard 271 ‘Employee Benefits’ about the accounting for vitality schemes. Vitality schemes are schemes under which there is a right to continued payment during absence for part of the working hours.

According to paragraph 2 of Standard 271, employee benefits during employment, including vitality schemes, are classified as a scheme under which either rights accrue or under which no rights accrue. For schemes involving the accrual of rights, a provision is recognised. For schemes under which there is no accrual of rights, expenses are recognised in profit or loss as and when they arise.

The content of these classification provisions itself has not changed. The amendments relate to the application of these provisions to vitality schemes. The main changes are:

- The assessment of whether a vitality scheme leads to an accrual of rights (= provision) or no accrual of rights (= no provision) should be based on the economic substance of the scheme, primarily based on the conditions that should be met to qualify for the scheme. Examples of conditions include a service time requirement and an age requirement.
- In the case of vitality schemes with a service time requirement, the DASB stipulates that, generally, rights accrue for which a provision should be recognised, unless the service period requirement has no or little economic significance.
- With regard to an age requirement included in a vitality scheme, the DASB explains that the economic significance is part of the assessment of the economic substance of the vitality scheme. However, the age requirement in itself does not determine whether rights under the scheme accrue (= provision) or not (= no provision).
- If a provision is recognised for vitality schemes because, based on the economic substance such rights should be accrued, then this provision should be accrued over the period during which those rights accrue. Generally this is the service requirement period.

The conditions included in vitality schemes, such as a service time requirement and the accrual period applied, are disclosed.

Example 1

Vitality Schemes

Employees can choose to continue working 80% of their standard hours from the age of 65 if they have been employed the previous 5 years (i.e. from the age of 60), for 90% of their salary while retaining 100% of their pension accrual. Because of the service time requirement, this vitality scheme is in principle assessed as a scheme under which rights accrue. For a 40-year-old employee, the right (= provision) is accrued during the 5 years prior to reaching the age of 65 (= the service time requirement), i.e. from the moment the employee turns 60. For a long-term employee who is 62 years old on introduction of the arrangement, the entire provision is accrued over the ('remaining') 3-year period during which the employee can meet the service time requirement (for this 62-year-old employee, 2/5 of the provision is not recognised on day-one (no back service)).

Early retirement schemes

The DASB included amendments in paragraph 4 'Early retirement schemes' of Standard 271 'Employee benefits', which contains provisions for the accounting for so-called early retirement schemes. The (almost) sole purpose of an early retirement scheme is for a legal entity to make one or more payments to a fund or employees, to bridge the time until the pension or AOW (state pension) start date, during which no further employee services are performed.

According to paragraph 4 of the Standard, a liability (a provision) is recognised for an early retirement scheme that gives rise to legal or constructive obligations, including (1) employees who have already opted to use the scheme and (2) employees who can still opt in to the existing scheme but have not yet done so. The liability is recognised at the best estimate of the expected expenditure (at present value). These employees are no longer required to perform any work to qualify for participation in and benefit from the scheme. The requirements for the accounting for the obligation for these employees have not changed.

In addition, paragraph 4 of Standard 271 requires the recognition of a liability for employees who are not yet able to opt in but are able to do so during the term of the arrangement. These employees still have to perform work in order to qualify for using the scheme in the future. The amendments to paragraph 4 of Standard 271 relate to the liability recognition, including the estimation of the accrual period for that liability. The following new requirements are introduced:

- A liability (provision) is recognised over the period during which the right to payments is accrued in substance.
- The accrual period should be based on the economic substance of the scheme, which is defined by (1) the conditions that should be met to use the scheme, and (2) the duration of the scheme for which a constructive obligation has been incurred. If a scheme has a service time requirement that has no or only minor economic significance, then the accrual period is not based on the service time requirement period. In an appendix, the Standard provides examples of the assessment of the economic substance of schemes with a service time requirement.

Example 2

An early retirement scheme with a service time requirement with economic substance

Assume a temporary scheme with a duration of 5 years, under which an employee has the right to early retirement on reaching the age of 65 ('age requirement'), provided the employee has been continuously employed by the legal entity for at least the preceding 3 years ('service time requirement'). For a 60-year-old employee, the right is then accrued during the 3 years before reaching the age of 65, and the liability is built up from the age of 62 over these 3 years.

Example 3

An early retirement scheme with a service time requirement with minor or no economic substance

For a temporary scheme with a duration of 5 years that stipulates an employee has the right to early retirement upon reaching the age of 65, provided the employee has been continuously employed by the legal entity for at least the preceding 3 months. The 3 month service time requirement has no or only minor economic significance. Therefore the period over which the rights are in substance accrued is the remaining service time from reaching the age of 60 until reaching the age requirement. For a 60-year old employee, the right is then accrued from 60-65 years. To clarify, no liability should be accrued for employees who do not meet the age requirement (e.g. a 58-year old employee). This also applies to example 1.

The application of the amended accounting rules for early retirement schemes in the financial statements for employees who can still opt in for using such a scheme, may mean, amongst other things, that according to the new provisions, a liability should be recognised (accrued) over a different period than the period used under the current accounting requirements. The contractual and other (actual) arrangements of early retirement schemes need to be reassessed.

The conditions included in the early retirement scheme, such as a length of service requirement and the accrual period applied, should be disclosed.

Pension schemes and the Future Pensions Act (Wtp)

On 1 July 2023, the Future Pensions Act (Wtp) came into effect. Existing pension schemes are required to meet the requirements of the Wtp no later than 1 January 2028, the so-called 'transition period'.

In the context of the Wtp, the DASB has made changes to paragraph 3 'Pensions' of Standard 271 'Employee Benefits'. The amended paragraph of Standard 271 applies to all pensions schemes that are accounted for in accordance with Dutch accounting rules (i.e. not when IAS 19 Employee Benefits is applied). This includes both schemes drawn up under the Pensions Act (Pw) applicable until 1 July 2023 and schemes drawn up under the Wtp.

The requirements, for example with regard to the recognition and measurement of 'additional liabilities' for an obligation to the pension administrators or employee, have not changed in terms of content. The changes to the provisions clarify the (possible) impact of the Wtp on the accounting for pension liabilities under the DAS, such as:

- Legal or constructive obligations to the pension administrators or employee to compensate ('compensation payments') that a company commits to in the context of the transition to a scheme in accordance with the Wtp, depending on the form and conditions, may lead to a (new) 'additional liability' (pension provision); and
- Liabilities (pension provisions) that have been recognised in the financial statements under the Pw until 1 July 2023 may still have to be recognised after 1 July 2023 or even after 1 January 2028 (and may not be released in such a case).

Example 4

In the Transition Plan, the company has agreed a one-off compensation payment with the pension administrator in the context of the transition to a new/adjusted pension scheme that complies with the WTP as of the balance sheet date. The company will pay a one-off amount to increase the risk-sharing reserve in the (new/adjusted) pension scheme. As at the balance sheet date, this commitment gives rise to an 'additional obligation' for which the company should recognise a provision in the financial statements.

The application of the changes to the accounting rules for pension commitments as a result of the Wtp may have consequences for the financial statements, in particular if 'additional liabilities' have to be recognised in the context of the transition. It is recommended to understand the specificities of the Transition Plan that companies and pension administrators should have agreed on, in the context of the transition to a scheme that complies with the Wtp.

Debt presentation

In Standard 254 'Debts', the DASB has clarified the scenario in which, on the balance sheet date, the loan covenants included in the long-term loan agreement are met, but it is expected that the covenants will be breached within 12 months after the balance sheet date. In this case, the debt is classified as long-term (non-current). However, as an alternative, it is permitted to classify the debt as short-term (current). The application of this alternative should be disclosed. The chosen presentation method should be applied consistently.

Disclosure of liquidity risk for financial instruments

Standard 290 'Financial Instruments' contains disclosure requirements for interest rate, cash flow and liquidity risk. A new requirement has been added on liquidity risk (Standard 290.918a). This requirement states that it may be important to provide information about contractual arrangements and their business purpose, if the risks arising from (the cessation of) such arrangements are significant in assessing the legal entity's liquidity position. Examples of such arrangements are factoring, reverse factoring, credit facilities and master netting agreements.

Clarifications regarding financial fixed assets

The DASB restructured Standard 214 'Financial fixed assets' to improve its readability, making a clear distinction between measurement of participating interests at costs and measurement of participating interests using the equity method. In addition some clarifications have been included. These relate to:

a) measurement of participating interests using the equity method; and

b) measurement of the provision for participating interests.

Re a) Measurement of participating interests using the equity method

When a participating interest is measured using the equity method, the measurement is based on its net equity value. Only if the net equity value cannot be determined, then measurement on the basis of visible equity is permitted (Standard 214.402).

Re b) Measurement of the provision for participating interests
The DASB has clarified that the amount of the provision for participating interests with a negative equity value depends on the nature of the liability and is determined in accordance with the general provisions in Standard 252 'Provisions, contingent liabilities and contingent assets'.

If the equity value of the participating interest has become negative, then the participating interest is measured at zero. If the participating legal entity has other interests in the participating interest that qualify as an extension of the net investment in the participating interest, then the negative equity value of the participating interest is deducted from these interests up to a maximum of the negative equity value.

To the extent that receivables are still due after the write-off of the items above, then it will be assessed whether a further impairment should be recognised on the basis of Standard 290 'Financial instruments'. If thereafter a negative equity value remains, then the participating legal entity assesses whether it has a legally enforceable or a constructive obligation to enable the participating interest to pay its debts. If that is the case, then a provision for participating interests is recognised to the extent that the participating legal entity expects a probable outflow of resources and can reliably determine the amount (Standard 214.419).

Construction contracts - disclosures

The DASB amended the disclosure requirements in Standard 221 'Construction contracts' to align with the requirements in Standard 270 'The profit and loss account'. The nature of significant performance obligations is disclosed and the disclosures are provided for each significant performance obligation (Standard 221.414).

The DASB clarified that medium-sized legal entities, that, based on Article 397 paragraph 3, aggregate items in the profit or loss in the line item 'gross operating profit', are exempt from disclosing the revenue from construction contracts that is recognised in profit or loss during the period, unless such revenue constitutes a significant revenue category. In that case, it is permitted to disclose the percentage of total revenue of each significant revenue category instead of the amounts (Standard 270.601).

Standard 221.414
The following is included in the notes:

a. The revenue from construction contracts that has been recognised in profit or loss during the period;

b. The nature of significant performance obligations;

c. For each type of significant performance obligation, the method used for the recognition of construction contract revenue in profit or loss; and

d. For each type of significant performance obligation, the method used for allocating revenue to reporting periods, including the method determining the stage of completion of construction contracts in progress.

Country-by-country reporting (income tax reporting)

The DASB has expanded the existing Standard 500 'Country-by-country reporting' following the implementation of the European Directive on Public Disclosure of Income Tax in early 2024 (paragraph 4 of Standard 500). At the same time, Standard 500 has been amended and the title has been changed to 'Country-by-country reporting'. The aforementioned implementation has taken place through the Implementation Act Directive on Public Disclosure of Income Tax. This provision applies, with exception of certain specific exemptions to

- NVs
- BVs;
- VOFs and cooperative societies of which all the partners who are fully liable for the debts to creditors are capital companies governed by foreign law

if these entities (either individually or as ultimate parent company) have achieved a consolidated net turnover of more than EUR 750 million for two consecutive financial years.

An entity in the scope of the Implementation Decree is required to file an income tax report with the Dutch Trade Register within 12 months after the end of the financial year, and should also publish this report on its website for at least 5 years. The requirements apply to financial years starting on or after 22 June 2024.

The income tax report must state, among other things, income, profit before tax, attributable income tax (per tax jurisdiction), paid income tax (per tax jurisdiction), and cumulative retained earnings. The report does not need to be audited by an auditor. However, the auditor must state in the auditor's report whether the company, with respect to the financial year preceding the financial year for which the financial statements are being audited, was obliged under the Decree to publish a income tax report and, if so, whether the report was published in accordance with the Decree (as described in the previous paragraph).

Framework, general principles and background and principles to the Standards

When developing the Standards, the DASB applies general principles. In doing so, the DASB also made use of a Framework (het Stramien), which has been included as appendix (930) to the Standards.

The DASB has noted that the Framework is no longer entirely in line with developments in the Dutch reporting practice and the working methods of the board in certain respects, but at the same time has established that certain conceptual sections of the Framework are still relevant.

The relevant parts of the Framework are retained in the Standards, but not in the form of a separate Framework (930). The DASB has decided to discontinue the Framework as an appendix to the RJ bundle.

The key provisions of the Framework are retained by including them in Section 1 'General principles'. Furthermore, certain conceptual principles, that underpin the development and design of the Standards, are included in a new preface to the Standards titled 'Background and principles for the Standards'.

The amendments are not intended to change the content of the Standards and retain the conceptual principles of the Standards.

Dutch corporate governance code

The DASB has incorporated the amendments in the updated Dutch corporate governance code (2025) into the Standards for Annual Reporting. This update follows the work of the newly appointed Monitoring Committee Corporate Governance Code, which published the revised Code in March 2025. The substantive changes have been incorporated into Chapter 400 'Management board report'.

The corporate governance code applies to:

- companies with a statutory seat in the Netherlands whose shares or share certificates are admitted to trading on a regulated market or a comparable system; and
- large companies with a statutory seat in the Netherlands and a balance sheet value of EUR 500 million or more whose shares or share certificates are admitted to trading on a multilateral trading facility or a comparable system.

One of the most important changes is the introduction of the risk management statement ("verklaring omtrent risicobeheersing"/ VOR).

Whereas under the previous Code (2022), the management board was already required to include statements in the management report about the internal risk management and control systems, the 2025 Code goes further. The management board must explicitly state that the internal risk management and control systems provide a reasonable degree of assurance that the financial reporting contains no material misstatements, and at least a limited degree of assurance that the sustainability reporting is free from material misstatements. In addition, the management board must assess and the level of assurance these systems provide in managing operational and compliance risks (Standards 400.4031 and 400.4044). Inclusion of the VOR in the management report provides greater transparency about the management of operational, compliance, and reporting risks.

Embedding the updated Code into Dutch legislation must still take place by the end of November 2025 through publication in the Official Journal and amending Article 2 of the Management Report Content Decree. This is expected to happen in 2025.

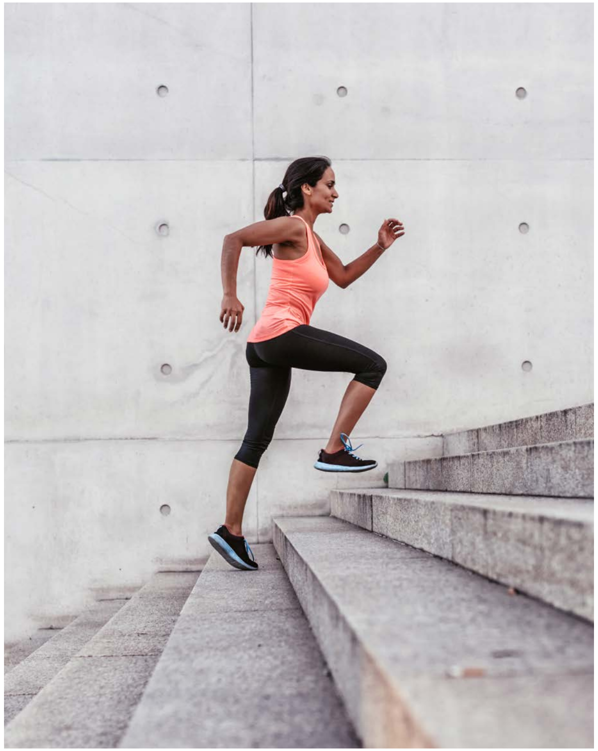
Main changes applicable from financial year 2026

Deferred taxes

In response to questions from practice, the DASB has clarified when a legal entity does not need to recognise a deferred tax liability or asset upon the initial recognition of certain assets and/or liabilities. The amendments to Chapter 272 ‘Income taxes’ explicitly state that a legal entity does not have to recognise a deferred tax liability or asset for taxable or deductible temporary differences upon the initial recognition of these transactions if specific conditions are met.

This exception is comparable to the “initial recognition exception” under IFRS (IAS 12.15 and IAS 12.24), but unlike IFRS, its application under the DASB is not mandatory. A legal entity may apply the exception if the following three conditions are met (Standards 272.301a and 272.306a):

- the transaction is not a business combination to which Chapter 216 ‘Business combinations’ applies;
- at the time of the transaction, it does not affect the accounting and the taxable result; and
- at the time of the transaction, no equal taxable and deductible temporary differences arise.



Example:

Transaction details

- **Purchase price of shares:** € 1,000. In determining the transaction, it was taken into account that the cost is not tax-deductible. The historical tax book value continues to apply.
- **The company contains only a single asset.** There is no integrated set of activities, assets and/ or liabilities capable of generating revenue. Because there are no other assets, the purchase price is fully allocated to the identifiable asset.
- **Expected useful life of the asset:** 5 years
- **Residual value of the asset:** nil
- **Tax book value of the asset:** nil
- The acquired company has already fully depreciated the original historical cost of the asset for tax purposes.
- **Tax rate:** 25%

Result

A temporary difference of € 1,000 arises between the commercial and tax book value upon initial recognition because the commercial depreciation expense is based on € 1,000 and the tax-deductible depreciation expense is nil.

Application of the exception:

In this situation, the exception can be applied because:

- there is no business combination to which Chapter 216 'Business combinations' applies;
- at the time of the transaction, the accounting and the taxable result is not affected;
- at the time of the transaction, no equal taxable and deductible temporary differences arise.

If the exception is applied, no deferred tax liability is recognised in future periods for the remaining taxable temporary difference.

Financial statements prepared under IFRS*

To improve accessibility for legal entities applying IFRS* in combination with Title 9 Book 2 of the Dutch Civil Code, the DASB has consolidated all relevant additional provisions in a new chapter: 105 'Financial Statements Prepared under IFRS* in Combination with Title 9 Book 2 of the Dutch Civil Code'. Previously, these provisions were spread across Chapters 100 'Introduction', 160 'Events after the reporting date', 214 'Financial fixed assets', and 240 'Equity'.

Chapter 105 now contains all provisions that apply when IFRS* is applied in the consolidated and/or separate financial statements. In transferring the various paragraphs to the new Chapter 105, the DASB has emphasised that, in principle, no substantive changes were intended. However, two topics have been further clarified due to their practical relevance and the interaction between IFRS* and Dutch legislation:

- **Events after the balance sheet date:** IFRS* limits the recognition of events after the balance sheet date to events occurring up to the date the financial statements are authorised for issue. However, Dutch law (Article 2:362 paragraph 6 of the Dutch Civil Code) requires that events occurring after the date of preparation up to the date of adoption of the financial statements must still be recognised if they are essential for providing insight. If such events occur, there will be a difference in recognition between IFRS* and Title 9 Book 2 of the Dutch Civil Code. The DASB states that in such cases, the management board may decide to prepare the financial statements again, taking these events into account (Standard 105.110), thereby avoiding the recognition difference.
- **Application of Article 2:362 paragraph 9 of the Dutch Civil Code:** The DASB has clarified that the requirement to disclose the average number of employees (Article 2:382 of the Dutch Civil Code) also applies to the consolidated financial statements prepared under IFRS*, and thus not only to the separate financial statements (Standard 105.109).

Equity

The DASB has completely revised Chapter 240 'Equity' with the aim of improving the structure, readability, and accessibility of the Standard. No substantive changes were intended.

However, the DASB has explicitly clarified that the acquisition price or book value of repurchased own shares may only be deducted from the free reserves or, if permitted by the articles of association, from the statutory reserves (Standard 240.214). It is not permitted to deduct these from legal reserves. This prevents a possible incorrect interpretation that legal reserves may also be reduced.

* The standards issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union.

Maintenance provisions

Chapter 212 'Tangible fixed assets' stipulates that major maintenance costs may be included in the carrying amount of the asset (if the criteria for recognition in the balance sheet are met) or via a maintenance provision. If the legal entity applies the method of recognition via a maintenance provision, it must estimate the amount per maintenance component and the interval between major maintenance activities.

The DASB has clarified that changes in the estimated amount per maintenance component and/or the timing of future major maintenance are accounted for as a change in estimate (Standard 212.451). The effect of this is systematically allocated to the remaining accrual period of the maintenance provision. As a result, catch-up additions are not permitted and consistent cost allocation is promoted.

A transitional provision has been included that allows this change to be applied prospectively; that is, only changes in estimates from 1 January 2026 fall under the new provision (Standard 212.810).

Inventory disclosures

The DASB has clarified in Chapter 220 'Inventories' the disclosure requirement regarding the cost of inventories recognised as an expense in the profit and loss account (Standard 220.601a). This amount, regardless of whether the profit and loss account is presented by nature or by function, is equal to the costs previously included in the measurement of the inventory and recognised in the profit and loss account upon sale of the inventory. This amount is not necessarily equal to the cost of sales (when presenting costs by function), as other costs may also be included.

Classification of non-current debts

The DASB has clarified in Chapter 254 'Liabilities' the provisions regarding the classification of non-current debts in the event of a breach of loan conditions at the balance sheet date. The principle is that a liability is classified as current if, at the balance sheet date, the loan conditions are not met, making the liability immediately due and payable. However, the DASB acknowledges that in the event of a breach of loan conditions at the balance sheet date, the situation may arise that the lender has unconditionally waived the right to call the loan due to this breach (often by granting a 'waiver') or a cure period has been agreed that extends at least 12 months after the balance sheet date (during which the legal entity works to restore its financial position), whereby immediate repayment due to this breach is not possible. In both cases, the liability remains classified as non-current, as it cannot be called within 12 months after the balance sheet date.

If agreement with the lender is reached only after the balance sheet date but before the financial statements are prepared, such that the loan can no longer be called within 12 months after the balance sheet date, it is permitted to present the liability as non-current. The application of this option must then be disclosed (Standard 254.307).

Under an existing provision, the liability may still be classified as current if it is expected that the loan conditions will not be met within 12 months after the balance sheet date (Standard 254.307a).

Scope of share-based payments

Previously, Chapter 275 'Share-based payment', with the exception of the disclosure requirements in Standard 275.511, did not have to be applied to share-based payments that were initiated and/or settled by a person or company outside the consolidation group of the legal entity (for example, the parent company of the legal entity). This exemption has now been removed for arrangements settled by the legal entity itself.

From now on, all share-based payments settled by the legal entity itself, regardless of who initiated them, must be accounted for in accordance with Chapter 275. Only arrangements settled by a party not belonging to the consolidation group of the legal entity continue to be exempt (Standard 275.103a).

Fees for assurance engagements relating to sustainability reporting

A legal entity must disclose the total fees charged to the legal entity during the financial year for:

- the audit of the financial statements;
- other audit engagements;
- tax advisory services; and
- other non-audit services

performed by the external auditor and the audit firm (Article 2:382a paragraph 1).

In practice, it was unclear how to disclose fees for assurance engagements relating to sustainability reporting.

The DASB has clarified in Chapter 390 'Other information to be disclosed in the notes' that these fees must either be disclosed separately or included as part of the total fees for other audit engagements. In the latter case, it is recommended to change the name of the category from "other audit engagements" to "other assurance engagements". The reason for this is that the nature of the engagement for sustainability reporting is not an audit engagement, but an assurance engagement (Standard 390.301).

Other developments

Electronic filing

The filing of annual accounts with the Trade Register must take place electronically via SBR (Standard Business Reporting). For large legal entities (and associated medium-sized legal entities), filing via SBR is mandatory for financial years beginning on or after 1 January 2025; for micro, small, and medium-sized legal entities, the filing obligation via SBR already applied from earlier financial years (with some exceptions). Listed companies have been required since 2021 to prepare their filings in accordance with the ESEF (European Single Electronic Format).

Filings pursuant to Articles 2:403 and 408 of the Dutch Civil Code are also subject to the SBR obligation as of the financial year 2025. This means that the group annual report must be filed electronically via SBR. For both the 403 and the 408 exemptions, if there is a Dutch group head, this group head files the group annual report itself via SBR with the Trade Register. If the group head is a foreign entity, the Dutch subsidiary files the group annual report via SBR, whereby only the mandatory basic information is tagged in iXBRL.

For the 408 exemption, a transitional provision applies, allowing the group annual report of a foreign group head to be submitted in PDF for the financial year 2025 (from 2026, the use of SBR becomes mandatory).

See also the websites of the Chamber of Commerce (www.kvk.nl/deponeren/hoe-deponeer-je-jouw-jaarrekening) and SBR (www.sbr-nl.nl/sbr-domeinen/handelsregister/uitbreiding-elektronische-deponering-handelsregister) for additional information.

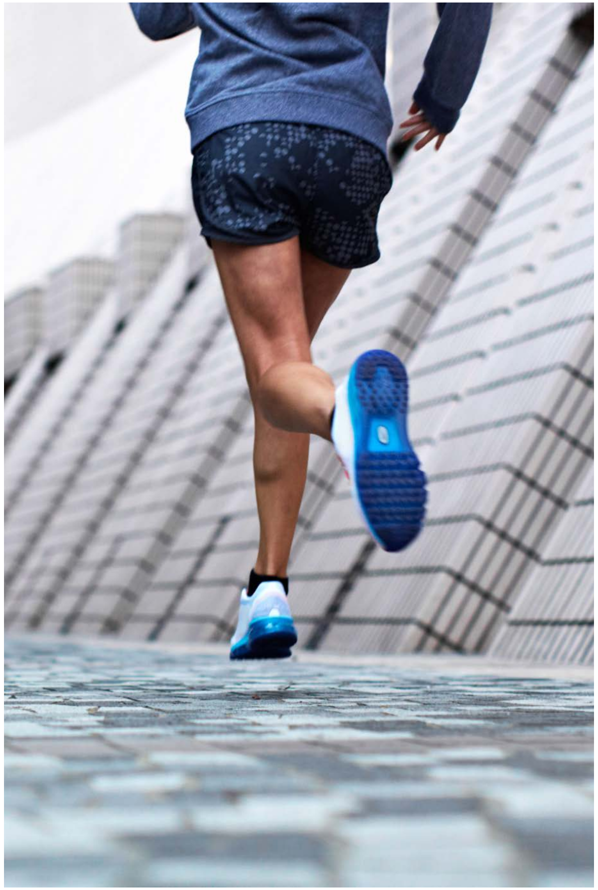
Sustainability reporting

A number of years ago, the European Commission decided, as part of the European ‘Green Deal’, to revise the EU Directive on non-financial information (implemented in the Netherlands via the Disclosure of Non-Financial Information Decree).

This led to the publication on 16 December 2022 of the European Corporate Sustainability Reporting Directive (sustainability reporting), also known as the Corporate Sustainability Reporting Directive (CSRD). The Directive contains reporting requirements in the field of sustainability. Based on this Directive, large companies and listed small and medium-sized companies must report on sustainability issues, such as environmental matters, social rights, and human rights. At the time of compiling this factsheet, the Directive has not yet been implemented in the Dutch legislation, and the current expectation is that this will not take place until sometime in 2026.

On 26 February 2025, the European Commission (EC) published two extensive Omnibus packages, one of which was specifically aimed at simplifying and streamlining sustainability reporting and due diligence. The Omnibus proposals were intended to reduce the administrative burden for companies and to keep the regulations proportionate and workable.

In the EC proposals, the scope of the CSRD is limited to large companies with more than 1,000 employees. The threshold for companies from third countries was also increased, and the information request from the value chain is limited to what the VSME standard requires.



Furthermore, the development of sector and LSME standards has been abandoned, and the level of assurance is limited to a limited degree of assurance. In addition, it has been proposed to postpone the reporting obligations for other large companies and listed small and medium-sized companies by two years (the so-called 'stop the clock'). This latter proposal was definitively adopted by the EU in April 2025 but still needs to be implemented in national legislation.

For the ESRS, the EC proposals focus on far-reaching simplification: the number of mandatory data points is reduced, there is more emphasis on quantitative information and less on qualitative disclosures, and sector-specific standards will be abandoned. EFRAG has been asked to provide advice on the simplification of the ESRS. EFRAG prepared and consulted proposals in mid-2025; the final proposals were submitted to the EC at the end of November 2025. The EC will then, after consulting relevant parties, proceed to the final adoption of the revised ESRS. Separately, a 'quick fix' was finalised in November 2025, extending the phasing-in period of certain reporting requirements by two years and expanding the scope of some phase-ins (with retroactive effect for reporting years beginning on or after 1 January 2025). This 'quick fix' is particularly relevant for companies that already apply ESRS from financial year 2024.

In response to the European Commission's proposals, the Council of the European Union and the European Parliament also defined their positions during 2025. In mid-November 2025, the three parties entered negotiations (the so-called 'trilogue'), which resulted in a compromise text of the revised CSRD by mid-December 2025. This compromise limits the scope of the CSRD to companies with more than 1,000 employees and a net turnover exceeding €450 million. The text of the revised CSRD will now be translated and must subsequently be formally approved by the Council of the European Union. Publication in the Official Journal of the EU is expected in March 2026. After that, Member States will be required to transpose the revised CSRD into their national legislation within 12 months.

The existing European legislation on sustainability reporting remains fully applicable until the amendments have been adopted, published, and (where necessary) incorporated into national legislation.

EU Taxonomy Regulation

Scope

From 1 January 2022 (effectively for financial years beginning on or after 1 January 2021), large PIEs that, under the Disclosure of Non-Financial Information Decree (Bbnfi), are required to include a non-financial statement in the management report, must provide additional sustainability disclosures in this statement. The additional disclosure requirements arise from the EU Taxonomy Regulation and the associated delegated regulations, all of which have direct effect in the Member States.

When the EU Directive on sustainability reporting (CSRD) is implemented in Dutch legislation, the scope of the EU Taxonomy Regulation will be expanded to all companies falling within the scope of the said Directive. Incidentally, this may change again if the Omnibus proposals are adopted and incorporated into legislation, as those proposals significantly restrict the scope of the CSRD (and thus the EU Taxonomy Regulation) (see above).

The European Commission has also made proposals for far-reaching simplification of the reporting requirements arising from the EU Taxonomy Regulation. The proposal is that companies no longer have to report on activities that account for less than ten percent of net turnover, capital expenditure, or operating expenses, and the number of data points to be reported in the templates is reduced by about seventy percent.

At the beginning of July 2025, the European Commission published the aforementioned amendments, after which the European Parliament and the Council of the European Union have until 5 January 2026 to object ('scrutiny period') before the delegated act is published in the Official Journal of the EU. As of mid-December 2025, it was expected that no objections would be raised during the remaining period. At the time of preparing this factsheet, the delegated act had not yet been published, but publication is anticipated to take place in the course of January 2026. The amendments to the EU Taxonomy may already be applied to financial years starting on or after 1 January 2025, but it is also permitted to apply them only from financial years starting on or after 1 January 2026.

Principles and objectives of the EU Taxonomy Regulation

The EU Taxonomy Regulation is part of the measures taken by the EU in the field of sustainability and sustainability reporting, and includes, among other things, a list of economic activities that can be considered environmentally sustainable ('green').

The principle of the EU Taxonomy Regulation is that companies within its scope include information in their non-financial statement on how and to what extent the company's activities are related to economic activities that can be considered environmentally sustainable. This must be done using prescribed key performance indicators (KPIs) per type of company. In this context, it must be assessed to what extent the company's economic activities contribute to six environmental objectives, namely:

1. mitigation of climate change;
2. adaptation to climate change;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. prevention and control of pollution; and
6. protection and restoration of biodiversity and ecosystems.

For the assessment of these six environmental objectives, the European Commission publishes, via delegated regulations, a list of economic activities that have the potential to be environmentally sustainable (eligible economic activities for the taxonomy) and the so-called ‘technical screening criteria’ for these economic activities. To classify an economic activity as environmentally sustainable (activity aligned with the taxonomy), it must meet both the ‘technical screening criteria’ and the ‘minimum safeguards’. The technical screening criteria correspond to requirements indicating that an economic activity makes a substantial contribution to one or more of the six environmental objectives, and that this activity does not significantly harm any of the other environmental objectives. The minimum safeguards relate to the procedures a company applies to act in accordance with the OECD Guidelines for Multinational Corporations and the UN Guiding Principles on Business and Human Rights, including respect for human rights, combating corruption, compliance with tax law, and fair competition.

Disclosures

Large PIEs that fall within the scope of the EU Taxonomy Regulation (in short: large PIEs with more than 500 employees) must, based on the delegated regulation (EU) 2021/2178, include the following disclosures regarding all six environmental objectives in the non-financial statement:

- **Non-financial companies:**
  - the KPIs as specified in Annex I of the delegated regulation (turnover, capital expenditure, and operating expenditure), to be presented in tabular form using the templates in Annex II of the delegated regulation;
  - the information as specified under point 1.2 of Annex I of the delegated regulation;
  - for activities related to nuclear energy and fossil gas: the information as specified in Article 8, paragraphs 6 and 7 of the delegated regulation, to be presented in tabular form using the templates in Annex XII of the delegated regulation.
- **Financial companies:**
  - (by asset managers) the KPIs as specified in Annex III of the delegated regulation, to be presented in tabular form using the template in Annex IV of the delegated regulation;
  - (by credit institutions) the KPIs as specified in Annex V of the delegated regulation, to be presented in tabular form using the template in Annex VI of the delegated regulation;
  - (by investment firms) the KPIs as specified in Annex VII of the delegated regulation, to be presented in tabular form using the template in Annex VIII of the delegated regulation;
  - (by insurance and reinsurance companies) the KPIs as specified in Annex IX of the delegated regulation, to be presented in tabular form using the template in Annex X of the delegated regulation;
  - the qualitative disclosures as specified in Annex XI of the delegated regulation;
  - for activities related to nuclear energy and fossil gas: the information as specified in Article 8, paragraphs 6 and 7 of the delegated regulation, to be presented in tabular form using the templates in Annex XII of the delegated regulation.

Changes in the Standards for Annual Reporting

Main changes in the Standards for Annual Reporting for micro and small entities (RJk) applicable for financial years beginning on or after 1 January 2025

The Dutch Accounting Standards Board has published the 2025 edition of the Standards for Annual Reporting for micro and small legal entities (RJk). This edition is effective for financial years beginning on or after 1 January 2025, unless otherwise indicated. The main amended provisions for small legal entities are:

- **B9 – Liabilities / debts**
  The presentation of liabilities has been clarified as described in the section 'Main changes applicable from financial year 2025'.

- **B14 – Employee benefits**
  The accounting for vitality schemes and early retirement schemes has been clarified as described in the section 'Main changes applicable from financial year 2025'.

Main changes in the Standards for Annual Reporting for micro and small entities (RJk) applicable for financial years beginning on or after 1 January 2026

The Dutch Accounting Standards Board has recently published the 2026 edition of the Standards for Annual Reporting for micro and small legal entities (RJk). This edition is effective for financial years beginning on or after 1 January 2026, unless otherwise indicated. The main amended provisions for small legal entities are:

- **M1 – Micro entities**
  Micro entities are exempt from including specific disclosures in the financial statements. In exceptional circumstances (such as material uncertainty about continuity), it may be necessary to provide additional information to meet the 'insight requirement' as referred to in Article 2:362 paragraph 1. The DASB had already stated that in such cases these additional disclosures must be included in the preparation financial statements. It has now been clarified that these must also be included in the filing financial statements.

- **A2 – Recognition and measurement**
  The criteria for separate presentation of items in the balance sheet and profit and loss account have been clarified. In addition, examples have been added of events that may indicate material uncertainty about the continuity of the entity.

- **A3 – Changes in policies, changes in estimates, and error corrections**
  The distinction between changes in policies and changes in estimates has been clarified. Changes in estimates must always be accounted for prospectively (i.e., not retrospectively).

- **A4 – Events after the balance sheet date**
  A decision tree has been added to guide the accounting for events after the balance sheet date, including when the financial statements must be adjusted or when disclosure is sufficient.

- **A8 – Profit appropriation and loss recognition**
  It is emphasised that changes in legal and statutory reserves must be recognised in the balance sheet.

- **B2 – Property, plant and equipment and investment property**
  References have been added in the chapter to the RJ bundle or provisions from the RJ bundle have been adopted regarding examples of manufacturing and other directly attributable costs, costs that may not be included in the cost or carrying amount of an asset, and major maintenance costs (Standard B2.107 and B2.122). In addition, references have been included to examples of investment property and the classification of mixed use as investment property (Standard B2.201).

- **B9 – Liabilities / debts**
  The classification of long-term liabilities in the event of a breach of loan conditions at the balance sheet date has been clarified as described in the section 'Main changes applicable from financial year 2026'.

- **B10 – Provisions, off-balance sheet obligations and off-balance sheet assets**
  Various amendments have been made in the chapter. For example, it is now explicitly stated that no provision may be formed for insurance deductibles (Standard B10.103), and that specific provisions in other chapters take precedence over the general provisions of B10 (Standard B10.104a). For discounting provisions, it has been added that the market interest rate at the balance sheet date of high-quality corporate bonds is used as a basis; if that market does not exist, the yield on government bonds is used (Standard B10.106).
  Furthermore, examples of disclosures to consider for each category of provisions have been added (Standard B10.109a) and provisions and examples for off-balance sheet assets have been included (Standard B10.301 and B10.302).

- **B15 – Income taxes**
  The recognition of a deferred tax liability or asset upon the initial recognition of certain assets and/or liabilities has been clarified as described in the section 'Main changes applicable from financial year 2026'.

- **B18 – Disclosures**
  The section on concession services has been deleted, as such services are not expected to be provided by small legal entities.

Finally

Source reference

The information in this factsheet is largely derived from the Preface to the 2025 and 2026 editions of the Standards for Annual Reporting and the RJ Publications.

Further information

Your KPMG contact person will be happy to provide you with further information about the content of this publication and its implications for your company.

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