

Changes to Dutch Accounting Standards for small legal entities

Changes to regulations for financial years as from 2012

In the annual edition 2011 of the Dutch Accounting Standards for small legal entities, several standards have become final. These final standards are effective for financial years that start on or after 1 January 2012. Earlier application is recommended. This newsletter outlines the changes in the DAS Manual for small legal entities.

Final Standards

Publication

The Dutch Accounting Standards Board has decided to refrain from issuing an interpretation of the statutory disclosure requirements. It will be up to the practice to do so. DAS A6.102 now only refers to the relevant statutory provisions and to the annex that includes the publication requirements. Our interpretation is that DAS A6.102 can be applied as was done to date. This implies that a small legal entity will not have to publish any information on top of that which is statutorily required under Art. 2:396 of the Netherlands Civil Code.

Investment property under development

The distinction between investment property under development and investment property that is being redeveloped and/or renovated has been removed. Hence, all properties that are being constructed or developed for future use as investment property can be valued at fair value and changes in value can be taken to the profit and loss account. Previously, this was only possible for investment properties that were being redeveloped and/or renovated. Investment property under development then had to be valued in accordance with the rules for property for own use.

Guidance for financial statements based on tax accounting principles

In April 2011, the Dutch Accounting Standards Board issued guidance on the application of tax accounting principles by small legal entities [*Handreiking bij de toepassing van fiscale grondslagen door kleine rechtspersonen*]. The objective of this guidance was to provide support to small legal entities on preparing their financial statements based on tax accounting principles. The guidance addresses the particulars of applying tax accounting principles and discusses several specific accounting and valuation issues (e.g., valuation of associated companies and accounting for reinvestment reserves), several presentation issues (e.g., classification of the equity) and specific disclosure requirements that apply for financial statements under tax accounting principles. The guidance also addresses several specific issues such as consolidation, accounting for tax corrections, and accounting for informal capital and constructive dividend. The guidance does not discuss the substance of the tax accounting principles. For this, reference is made to applicable tax legislation and case law.

Draft standards

The annual edition 2011 of the Dutch Accounting Standards for small legal entities does not include any Draft Standards.

Contact information

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