

SIZE CHARACTERISTICS UNTIL NOW AND NEW

The size characteristics of § 221 Commercial Code (*UGB*) influence the scope of financial statements and their publication and audit requirement.

By the *Rechnungslegungs-Änderungsgesetz 2014* (BGBl I 2015/22), which implements *inter alia* Directive 2013/34/EU of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings into national statutory law, the size characteristics are amended.

UNTIL NOW					
two of three characteristics must be met					
§ 221 UGB		small comp.	middle sized comp.	big comp.	
balance sheet total		up to 4.84m	above 4.84 up to 19.25m	above 19.25m	
turnover		up to 9.68m	above 9.68 up to 38.5m	above 38.5m	
number of employees		up to 50	above 50 up to 250	above 250	
				shares or other securities admitted with a regulated market pursuant § 1 Abs 2 BörsG	
for the above characteristics consolidated numbers are irrelevant					
NEW					
(applicable for accounting documents covering financial years starting after 31.12.2015 (§ 906 Abs 28 UGB); new characteristics as per § 221 Abs 1, 1a and 2 UGB are applicable retroactively for past observation periods in order to determine the size of the company as of 1.1.2016 onwards; see § 906 Abs 29 UGB)					
two of three characteristics must be met					
§ 221 UGB					
		micro comp.	small comp.	middle sized comp.	big comp.
balance sheet total		up to 350,000	above 350,000 up to 5m	above 5 up to 20m	up to 20m
turnover		up to 700,000	above 700,000 up to 10m	above 10 up to 40m	up to 40m
number of employees		up to 10	above 10 up to 50	above 50 up to 250	up to 250
Specifics	must not be an investment ¹ or holding undertaking ²				public-interest entities ³ are always considered to be big
for the above characteristics consolidated numbers are irrelevant in principle; there is an exception: a stock corporation (AG), which is a parent undertaking ⁴ , has to calculate the characteristics on a consolidated or aggregated basis (§ 221 Abs 4a UGB)					

As in the past, annual financial statements of an AG have to be audited irrespective of its size; annual financial statements of a small GmbH (if no mandatory supervisory board is required) do not need to be audited; this will also apply to micro GmbHs (*argumentum a maiore ad minus*, § 268 UGB does not explicitly mention a micro GmbH exemption).

¹ *Inter alia* an undertakings the sole object of which is to invest their funds in various securities, real property or other assets, with the sole aim of spreading investment risks and giving their shareholders the benefit of the results of the management of their assets; for details see § 189a Z 11 UGB.

² Undertakings the sole object of which is to acquire holdings in other undertakings and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, without prejudice to their rights as shareholders (§ 189a Z 12 UGB).

³ Covers *inter alia* undertakings having transferable securities admitted to trading on a regulated market of any EU-Member State, credit institutions and insurance undertakings; see for details see § 189a Z 1 UGB.

⁴ Pursuant to § 189a Z 6 UGB means an undertaking which controls (§ 244 UGB) one or more subsidiary undertakings (§ 244 UGB covers the requirement to prepare consolidated financial statements and defines control as uniform management by a corporation).