

# FOCUS ON ...



Focus  
TAX



March  
2024

## Raising the size criteria for companies

The decree of 28 February 2024 transposes delegated directive (EU) 2023/2775 into French law with regard to the adjustment of the size criteria for micro, small, medium-sized and large companies or groups. The thresholds have been adjusted upwards by 25% to take account of inflation.

Decree no. 2024-152 of 28 February 2024 amends the amount of the turnover and balance sheet thresholds defining the categories of companies and groups of companies by transposing into French law Commission Delegated Directive (EU) 2023/2775 of 17 February 2024.

October 2023, itself amending Directive 2013/34/EU of the European Parliament and of the Council (known as the Accounting Directive).

**These thresholds help to define the size of companies and groups of companies**, which is taken into account for the purposes of obligations relating to the preparation and certification of financial statements.

*Attention this upgrade does not apply to :*

- The implementation of electronic invoicing (D 2008-1354 of 18 December 2008),
- Legal entities that are not commercial in nature (associations, non-trading companies).

### The new thresholds

**Concerning company categories**  
The new thresholds for independent business categories are as follows:

- **Micro-businesses must not exceed 2 of the 3 following thresholds:**

Balance sheet total €450 K

Total sales €900 K

Total workforce

10

- **Small businesses must not exceed 2 of the 3 following thresholds:**

Total assets	€7	.5m
Total sales	€15m	
Total workforce		50

- **Medium-sized businesses must not exceed 2 of the 3 following thresholds:**

Total assets	€25m	
Total sales	€50m	
Total workforce		250

- **Large companies exceed 2 of the 3 ME thresholds.**

### Concerning groups of companies

The new thresholds for groups of companies are as follows:

- **Small groups must not exceed 2 of the 3 following thresholds:**

Balance sheet total	€9m	
Total sales	€18m	
Total workforce		50

- **Average groups must not exceed 2 of the 3 following thresholds:**

Total assets	€30m	
Total sales	€60m	
Total workforce		250

- **Large groups outstrip 2 of the 3 medium group thresholds.**

### Implementation

The new provisions come into force on 1 March 2024 and apply :

- To the financial statements and reports for the financial years beginning on or after 1 January 2024,
- The current terms of office of the Statutory Auditors continue until their expiry date.

For example, if a company that does not exceed the new thresholds for small companies and closes its accounts on 31 December wishes to dispense with drawing up a management report, it will only be able to do so in 2025, when it approves the accounts for the financial year 2024.

### To find out more

The text amends the turnover and balance sheet thresholds to take account of inflation.

*(amendment of articles: C. com., art. D. 123-200; C. com. art. D. 221-5; C. com., art. D. 230-1; C. com, art. D. 230-2; C. com., art. D. 232-8-1 and C. com. D. 821-172).*

**Summary table of obligations with the new thresholds**

Category	Does not exceed 2 of the 3 thresholds	Balance sheet	CA	Effectives	Presentation of the accounts annual		Filing with the registry		Management report	In the event of CAC report
					Review and account result	Appendix	Deposit	Confidentiality		
micro-company	Former Thresholds	350 K€	700 K€	10	Simplified presentation Art. L. 123-16 of the French Commercial Code	Exemption from the requirement to draw up a schedule Art. L. 123-16-1 of the French Commercial Code	mandatory	Possibility of not making the full annual accounts public Art. L. 232-25 of the French Commercial Code this	Waiver of the management report * Art. L. 232-1 of the French Commercial Code	If total confidentiality of accounts is opted for, then confidentiality of the CAC's report Art. L. 232-26 of the Commercial code
	New x thresholds	450 K€	900 K€	10						
Small business	Old thresholds	6 M€	12 M€	50	Simplified presentation Art. L. 123-16 of the French Commercial Code	Appendix simplified Art. L. 123-16 of the Commercial Code Abridged annex Art. L. 123-25 of the French Commercial Code	mandatory	Option not to make the account public of result Art. L. 232-25 of the French Commercial Code this	Exemption from preparation of the management report * Art. L. 232-1 of the French Commercial Code	If partial account confidentiality option, then confidentiality of Art. L. 232-26 of the Code of commerce
	New x thresholds	7,5 M€	15 M€	50						
Medium-sized company	Old thresholds	20 M€	40 M€	250	Presentation on simplified income statement Basic balance sheet Art. L.123-16 of the French Commercial Code	Basic or abridged appendix Art. L. 123-25 of the French Commercial Code	mandatory	Possibility of publishing a simplified presentation of the balance sheet and notes to the accounts	mandatory	If option of simplified presentation of the accounts, so confidentiality of the CAC report but specific information required Art. L. 232-26 of the Commercial code
	New x thresholds	25 M€	50 M€	250						
Large companies	If 2 of the 3 average company thresholds are exceeded				Presentation basic balance sheet and income statement	Annex to basic or abbreviated Art. L. 123-25 of the French Commercial Code	obligatoire	No confidentiality of accounts	mandatory	mandatory

(\* ) Please note that exemption from the requirement to produce a management report does not exempt the agent from reporting to his principals (Art. 1993 of the Civil Code).

**Summary table of requirements for independent companies to appoint a Legal auditor according to economic criteria**

Apart from any other criteria, **independent companies are required to appoint a Legal auditor if they exceed 2 of the 3 following criteria:**

Appointment of a statutory auditor (independent companies): mandatory thresholds	Thresholds applicable from 2024	Thresholds until 2023
Sales figures	10 M€	8 M€
Balance sheet total	5 M€	4 M€
Workforce	50 employees	50 employees

**Summary table of requirements for independent companies to appoint a Legal auditor according to economic criteria**

**Companies controlled** directly or indirectly by entities exceeding the above thresholds (10/5/50) **must also appoint a statutory auditor when they exceed 2 of the 3 thresholds below:**

Appointment of a statutory auditor in controlled companies within a small group : obligation thresholds	Thresholds applicable from 2024	Thresholds until 2023
Sales figures	5 M€	4 M€
Balance sheet total	2,5 M€	2 M€
Workforce	25 employees	25 employees

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