On December 17th, the European Parliament’s Legal Affairs Committee (JURI) voted and approved their version of the European Commission’s proposal on non-financial and diversity information disclosure by large companies. Although we have yet to see the official, agreed document, our understanding is that the JURI’s version of the legislation:

- Applies to large, listed and unlisted companies with over 500 employees (except for diversity policies, which will be limited to listed companies).
- Includes a review clause that requires the Commission to consider a country-by-country tax reporting requirement within 3 years.
- Requires guidance and key performance indicators to be developed.
- Includes a safe harbour clause.
- Requires international frameworks to be referenced.

The Committee gave Rapporteur Rafaele Baldasarre (MEP-IT) a mandate to start negotiations with the Council.

On the Council side, the Committee of the Permanent Representatives (COREPER) met on December 13th to discuss the proposal. We have seen the Lithuanian Presidency’s report to the Council’s Working Party on Company Law regarding the outcome of this meeting, which indicates that the Council version of the legislation:

- Reduces its scope to cover only large, listed companies with over 500 employees.
- No longer includes a country-by-country tax reporting requirement or review clause.
- Would allow a separate report to be issued (if referenced in the management report and up to 12 months following it), although auditors would still be required to express an opinion on it.
- Includes a safe harbour clause.
- Maintains the reference to international frameworks as optional.

Following these developments, we understand that trilogue negotiations will begin in January.
the New Year. An indicative plenary sitting date of March 10th has been set for the first reading in Parliament.

Eurosif will be conducting further analysis to confirm whether our core demands regarding this dossier are likely to be included in the final legislation. As part of that process, we will seek to meet with representatives from several Member States (including the new Greek Presidency) and some influential MEPs in January.