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**NOTE**

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from: General Secretariat  
to: Working Party on Company Law  
on: 17 April 2013

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No Cion prop.: 16971/11 DRS 121 CODEC 2039  
16972/11 DRS 122 CODEC 2040

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Subject: Proposal for a Directive of the European Parliament and of the Council  
amending Directive 2006/43/EC on statutory audits of annual accounts and  
consolidated accounts

Proposal for a Regulation of the European Parliament and of the Council on  
specific requirements regarding statutory audit of public-interest entities

- Presidency compromise text - Package 2 (PIE definition)

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Delegations will find attached a steering note and a compromise text on the PIE definition, prepared by the Presidency. Changes to the previous document are underlined.

**Steering Note - Package 2**

**Topic 1**

**Public Interest Entities Definition**

**Article 2(13), Directive - Scope**

The definition of PIEs was discussed as a topic in Package 2. Several Member States called for the expansion of the definition of PIEs to permit Member States to designate other entities as public interest entities. The Presidency proposes including this provision in the final paragraph of Article 2(13) of the Directive.

Further to the Member State comments' as they relate to UCITs, Alternative Investment Funds, and Credit Institutions listed in Article 2 of Directive 2006/48/EC, the Presidency is proposing that these entities be removed from the definition of PIEs. Member States are then free to reintroduce such entities, or subclasses of such entities to the definition of PIEs through exercising their right to designate entities as Public Interest Entities.

PRESIDENCY COMPROMISE - PIE DEFINITIONCommission proposalCompromise text

<i>1. <u>Definition of Public Interest Entities</u></i>		
<p><b>Article 2 (13)</b></p> <p><b>Directive</b></p> <p><i>Scope</i></p>	<p>'13. 'public-interest entities' means:</p> <p>(a) entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC;</p> <p>(b) credit institutions as defined in point 1 of Article 4 of Directive 2006/48/EC of the European Parliament and of the Council(*);</p>	<p>'13. 'public-interest entities' means:</p> <p>(a) entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC, other than:</p> <p>(i) EU alternative investment funds as defined in Article 4(1)(k) of Directive 2011/61/EC of the European Parliament and of the Council;</p> <p>(ii) undertakings for collective investment in transferable securities</p> <p>(UCITS) as defined in Article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council.</p> <p>(b) credit institutions as defined in point 1 of Article 4 of Directive 2006/48/EC of the European Parliament and of the Council(*), <u>unless they fall under Article 2 of that Directive;</u></p> <p>[...]</p>

	<p>(c) insurance undertakings within the meaning of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council(**);</p> <p>(d) entities governed by the law of a Member State which are payment institutions as defined in point 4 of Article 4 of Directive 2007/64/EC of the European Parliament and of the Council(***), unless Article 15(2) of that Directive applies;</p> <p>(e) entities governed by the law of a Member State which are electronic money institutions as defined in point 1 of Article 2 of Directive 2009/110/EC of the European Parliament and of the Council(****), unless Article 15(2) of Directive 2007/64/EC applies;</p> <p>(f) investment firms as defined in point 1 of Article 4(1) of Directive 2004/39/EC;</p> <p>(g) EU alternative investment funds as defined in Article 4(1)(k) of Directive 2011/61/EC of the European Parliament and of the Council(*****);</p> <p>(h) undertakings for collective investment in transferable securities (UCITS) as defined in Article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council(*****);</p>	<p>(c) insurance undertakings within the meaning of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council(**);</p> <p>(d) entities governed by the law of a Member State which are payment institutions as defined in point 4 of Article 4 of Directive 2007/64/EC of the European Parliament and of the Council(***), unless Article 15(2) of that Directive applies;</p> <p>(e) entities governed by the law of a Member State which are electronic money institutions as defined in point 1 of Article 2 of Directive 2009/110/EC of the European Parliament and of the Council(****), unless Article 15(2) of Directive 2007/64/EC applies;</p> <p>(f) investment firms as defined in point 1 of Article 4(1) of Directive 2004/39/EC;</p>
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	<p>(i) entities governed by the law of a Member State which are central securities depositories;</p> <p>(j) central counterparties as defined in Article 2(1) of Regulation X/XXXX of the European Parliament and of the Council(*****)[see proposal for a Regulation on OTC derivatives, central counterparties and trade repositories, COM(2010)484];</p>	<p>(g) entities governed by the law of a Member State which are central securities depositories;</p> <p>(h) central counterparties as defined in Article 2(1) of Regulation X/XXXX of the European Parliament and of the Council(*****)[see proposal for a Regulation on OTC derivatives, central counterparties and trade repositories, COM(2010)484).</p> <p><u>Member States may also designate other entities as public-interest entities, for instance entities that are of significant public relevance because of the nature of their business, their size or the number of their employees.</u></p>
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