Upcoming Changes to the 2025 Financial Statements

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Soon, the 2024 financial statements will be prepared, and several changes for 2025 and beyond are already known. This publication informs you about the most important new provisions that are currently known. Any changes related to specific industries are not included in this publication.

1 Changes in Chapter 271 "Employee Benefits"

DAS-Statement 2024-17 addresses vitality schemes and early retirement schemes. Early retirement schemes have a different nature than vitality schemes and are therefore treated separately. Early retirement schemes are characterized by the fact that no work performance is required, even if there is still a formal employment relationship.

1.1 Vitality schemes

The changes for vitality schemes include:

- Examples of rewards where rights are accrued and rewards where no rights are accrued.
- Rights are accrued: an employee works 80%, but retains salary and/or pension accrual or part of it. The employee must have been employed for at least 5 years and be at least 58 years old. If there is a service year requirement, rights are accrued unless that condition has no or only minor economic significance.
- No rights are accrued: continued payment in case of maternity or parental leave or future salary increases based on salary scales.

For schemes that entitle paid absence for part of the working time, it should be noted that based on the economic reality of the scheme, it is assessed whether it is a reward with rights accrual or a reward without rights accrual. When rights are accrued, an obligation must be recognized and this obligation must be valued at the best estimate of the amounts necessary to settle the obligation. If it is a scheme where no rights are accrued, the expenses are recognized in the period over which the reward is due. Additional disclosure requirements apply to vitality schemes. These include:

- The main characteristics of the scheme, including whether it is a scheme with or without rights accrual based on the economic reality of the scheme.
- If an obligation is recognized, the discount rate used and other key assumptions and bases.

1.2 Early retirement schemes

For early retirement schemes, the following changes/clarifications apply:

- A definition of an early retirement scheme has been included.
- It is addressed when an obligation is recognized and how that obligation is valued, with two possibilities:
  - For employees who are already using or can use the scheme at the balance sheet date: the obligation is the present value of the total expected expenses for those employees.
  - For employees who cannot yet use the scheme at the balance sheet date but can do so during the term of the scheme in the future: an obligation will be accrued over the period in which the right to benefits is essentially accrued.

Expected expenses are allocated proportionally to the accrual period: the obligation concerns the time-proportional part of the present value of the total expected expenses for those employees. Performance and disclosure requirements are included. The required disclosure include the main characteristics of the schemes, the discount rates used, and other key assumptions and bases.

2 Impact of the Future Pensions Act on DAS 271

This change mainly involves updating definitions and terms. No substantive changes are intended. Some provisions are no longer included because they are no longer considered relevant in the new context, such as:

- Claims for future refunds due to, for example, coverage ratio.
- Obligations due to recovery premiums payable to the pension provider

However, some provisions regarding situations that can no longer occur under the Future Pensions Act have not been removed. For example:

- Obligations to the pension provider due to indexation. This can also occur after January 1, 2028, for example, with foreign pension schemes.
- An example is included that compensation measures from transitional schemes can lead to a possible additional obligation to the pension provider.

3 Adjustment of the guidance for the application of IAS 19R in the Dutch pension situation as a result of the Future Pensions Act

The DAS has indicated the impact of the Future Pensions Act (WTP) on the application of the Guidance for the Application of IAS 19R in the Dutch pension situation. Because this guidance will be of limited relevance under the WTP, the DAS will withdraw this guidance at the end of the transition period applicable to the introduction of the WTP (January 1, 2028). It has also been clarified that pension schemes that comply with the WTP will in principle be classified as defined contribution schemes under IAS 19R, but that in certain situations there may be factual obligations that can influence the classification of the scheme. A factual obligation can arise, for example, as a result of expectations created by the employer. The DAS believes that IAS 19R provides sufficient points of reference for assessing such factual obligations.

4 Draft Guideline DAS 214 "Financial Fixed Assets"

The DAS has rewritten Guideline 214 Financial Fixed Assets to make the Guidelines for Annual Reporting more accessible. The structure has been adjusted, more headings have been used, and some paragraphs have been removed because their content was duplicated in Guideline 214. No substantive changes are intended with the adjustments.

5 Replacement of "Framework for the Preparation and Presentation of Financial Statements"

The DAS proposes to abolish the "Framework for the Preparation and Presentation of Financial Statements", which is included as an appendix to the DAS bundle with Guidelines for Annual Reporting. At the same time, the DAS proposes to retain some important provisions from the Framework by including them in Section 1 "General Principles". In addition, the DAS proposes to include certain conceptual principles underlying the preparation and presentation of (Guidelines for) annual reporting in the DAS bundle in a new introductory general paragraph entitled "Background and Principles of the Guidelines". The proposed adjustments do not intend to make substantive changes and the conceptual principles of the Guidelines remain unchanged.

6 Country-by-Country Reporting – Adjustment of Chapter 500 due to "Profit Tax Disclosure Report"

The EU Directive on Profit Tax Disclosure (Directive EU/2021/2101) was implemented in Dutch law in 2024. The purpose of this legislation is to promote transparency of profit tax payments worldwide by large multinationals. As a result, large multinationals with more than €750 million (consolidated) net turnover or income are required to prepare and publish an annual profit tax report. Section 5 "country-by-country reporting" is included in the DAS bundle, with Chapter 500 "Country Information". Due to the aforementioned legislative change, it is proposed to set out in separate paragraphs in Chapter 500 which companies the country-by-country reporting legislation applies to.

This concerns:

- Certain companies active in the extractive industry or logging of primary forests (paragraph 500.2).
- Banks or investment firms (paragraph 500.3).
- Large multinationals with a net turnover of more than €750 million.

In three separate paragraphs, the different forms of country-by-country reporting are then explained.

7 Proposal for digital filing by large legal entities

Micro, small, and medium-sized legal entities already file their annual accounts digitally via Standard Business Reporting (SBR). Large legal entities were granted a postponement of mandatory electronic filing of the annual report via SBR because many large legal entities follow listed companies in their annual reporting, and it was therefore logical to let the obligation for large legal entities follow the obligation for listed companies. The European format, the European Single Electronic Format (ESEF), has now been introduced for issuers. Issuers must file their annual accounts in this format from the 2021 financial year. It is expected that digital filing via SBR for large legal entities will be mandatory from the 2025 financial year. Publication of the decision is expected at the end of 2024.

New Regulations	Where to find the new regulations
1. Changes in Chapter 271 "Employee Benefits"	DAS-Statement 2024-17: changes in DAS 271
2. Impact of the Future Pensions Act on DAS 271	DAS-Statement 2024-18: changes in DAS 271
3. Adjustment of the Guidance for the Application of IAS 19R in the Dutch Pension Situation as a Result of the Future Pensions Act	DAS-Statement 2024-21
4. Replacement of "Framework for the Preparation and Presentation of Financial Statements"	DAS-Statement 2024-12
5. Draft Guideline DAS 214 "Financial Fixed Assets"	DAS-Statement 2024-11
6. Country-by-Country Reporting – Adjustment of Chapter 500 due to "Profit Tax Disclosure Report"	DAS-Statement 2024-14
7. Proposal for Digital Filing by Large Legal Entities	Amendment Decision on Electronic Filing of the Trade Register

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