



NL GAAP Focus

Summary of changes to Dutch Accounting Standards for medium-sized and large entities effective for financial years starting on or after 1 January 2026

This summary outlines the main amendments to the Dutch Accounting Standards for medium-sized and large entities (DAS) that are applicable to financial years beginning on or after 1 January 2026. Earlier application is recommended for all amendments.

One amendment already applies to financial years beginning on or after 1 January 2025. This relates to the incorporation of the updated Dutch Corporate Governance Code 2025, which is discussed as the final topic in this summary. The Code applies to certain listed entities.

This overview does not deal with amendments affecting specific industries¹, nor does it cover sustainability reporting.

The publication reflects the amendments to the Dutch Accounting Standards known as at 1 September 2025.

Contents

Deferred tax at initial recognition	01
Financial statements prepared under IFRS-EU	03
Adjustments made in response to comments received	04
Updated Dutch Corporate Governance Code	05



Deferred tax at initial recognition: option to apply the ‘initial recognition exemption’

As a rule, deferred tax must be recognised for taxable and deductible temporary differences. Until now, it was unclear whether this also applied to temporary differences arising from a transaction – other than a business combination – that, at the moment of initial recognition, affects neither the accounting profit or loss nor the taxable profit or loss. Under IFRS Accounting Standards this relief is known as the ‘initial recognition exemption’. The Dutch Accounting Standards Board has clarified that, in this situation, an entity is not required to recognise a deferred tax liability or asset. Consequently, under NL GAAP it is permitted, but not obligatory, to apply the ‘initial recognition exemption’. Whichever choice is made must be applied consistently. The standards stipulate that the legally required consistency principle implies that identical accounting policies and rules are applied to assets or transactions that are similar in nature and use.

The following example illustrates the consequences of applying – or not applying – the ‘initial recognition exemption’.

¹ Specific industries in the Dutch Accounting Standards include banks, insurers, pension funds, premium pension institutions, investment institutions, cooperatives, commercial foundations and associations, not-for-profit organisations, housing corporations, fundraising organisations, healthcare institutions, and educational institutions.



Example: 'Initial recognition exemption'

Entity A acquires a tangible fixed asset for an amount of 1,000. The asset has an expected useful life of five years and a residual value of nil. The corporate income tax rate is 25 per cent. For specific tax reasons, the depreciation charge recognised during the asset's useful life is not deductible for tax purposes. On disposal of the asset, any gain will be non-taxable and any loss non-deductible. During the asset's useful life the carrying amount will be recovered through the expected cash inflows of the cash-generating unit to which the asset belongs.

Because the carrying amount of the asset will be recovered through use (expected cash inflows of 500 per year), the non-deductibility of the depreciation charge results in additional taxable income of 1,000 and, accordingly, an extra tax liability of 250 ($= 1,000 \times 25\%$).

Hence, a taxable temporary difference exists at the moment of initial recognition of the asset. For temporary differences arising after initial recognition, A recognises deferred taxes at the nominal tax rate in accordance with its accounting policies. With respect to the temporary difference that arises on initial recognition, the entity may choose whether or not to recognise a deferred tax asset or liability – in other words, whether to apply the 'initial recognition exemption'. Both permitted approaches are set out below.

Applying the 'initial recognition exemption'

On initial recognition A does not recognise a deferred tax liability, because the conditions for applying the 'initial recognition exemption' are met and A elects to use it. The acquisition is recorded through the following journal entry:

Tangible fixed asset	1.000
Cash	1.000

The effect of applying the 'initial recognition exemption' is that the additional tax burden will be reflected in profit or loss. Over the five-year useful life the annual depreciation charge of 200 (straight-line) is not deductible for tax purposes. As a result, the entity's annual effective tax rate will exceed the applicable corporate income tax rate. Assuming expected cash inflows of 500 per year and no other costs, profit before tax is 300 ($= 500 - 200$). The annual effective tax rate therefore amounts to 41.67 % ($= (25\% \times 500) / 300$).

No application of the 'initial recognition exemption'

On initial recognition A records a deferred tax liability for the temporary difference at the nominal tax rate, in line with its accounting policy for deferred taxes. At the same time, it increases the carrying amount of the tangible fixed asset by the same amount. The Dutch Accounting Standards Board has stated that, if the 'initial recognition exemption' is not applied, the initial recognition of the asset (in this example the tangible fixed asset) and of the related deferred tax should, in principle, have no effect on profit or loss at that moment. Accordingly, the deferred tax liability is not recognised in profit or loss but is added to the carrying amount of the asset.

The addition to the carrying amount must, however, exceed 250 ($= 25\% \times 1,000$), because the increase itself gives rise to an increase of the taxable temporary difference for which a deferred tax liability has to be recognised. In practice this is an iterative calculation. The deferred tax liability, and the corresponding increase in the carrying amount at initial recognition, amount to 333.33 ($= 250 / 75\%$). The acquisition is recorded through the following journal entry:

Tangible fixed asset	1,333.33
Deferred tax liability	333.33
Cash	1,000.00

In the following year the depreciation charge is 266.67 ($= 1,333.33 / 5$). The deferred tax liability is released each year by 66.67 ($= 333.33 / 5$), credited to income tax in profit or loss. As a result, the effective tax rate recognised in profit or loss remains equal to the applicable tax rate. Assuming expected cash inflows of 500 per year and no other expenses, profit before tax is 233.33 ($= 500 - 266.67$). The annual effective tax rate is therefore 25 % ($= ((25\% \times 500) - 66.67) / 233.33$).

The option to not recognise deferred taxes cannot be applied where, at the moment of initial recognition of the assets/liabilities, equal taxable and deductible temporary differences arise. An example is the acquisition of an asset accompanied by the recognition of a provision for restoration costs that is included in the asset's carrying amount but is not recognised for tax purposes. For tax purposes, the restoration costs are deductible in the period in which the work is carried out. On initial recognition, therefore, a deductible temporary difference arises in respect of the provision and, for the same amount, a taxable temporary difference arises in respect of the difference in the carrying amount of the asset. In the periods after initial recognition, the taxable and deductible temporary differences will no longer offset one another and therefore the entity is not permitted to apply the exemption from recognising deferred taxes in this situation.



Financial statements prepared under IFRS-EU in combination with Title 9 Book 2 NCC

Title 9 Book 2 NCC and the Dutch Accounting Standards contain various provisions for entities that prepare their consolidated and/or company-only financial statements in accordance with IFRS-EU. In the 2026 DAS these provisions have been transferred to a new standard, DAS 105 'Financial statements prepared in accordance with IFRS-EU in combination with Title 9 Book 2 NCC'.

The relocation of the requirements to DAS 105 is not intended to introduce substantive changes. The Dutch Accounting Standards Board has, however, refined the guidance on:

- accounting for events after the reporting date; and
- the application of Article 2:362(9) NCC (combinations 3 and 4²).

Accounting for events after the reporting date

An entity that applies combination 3 or 4 in its financial statements (application of IFRS-EU) must recognise the effects of events after the reporting date that become known up to the moment the financial statements are prepared (the 'date of authorisation for issue'). It is emphasised that, even when IFRS-EU is applied, events identified in the period between the date of authorisation for issue and the date of adoption must still be recognised to the extent necessary to meet the legally required insight requirement. IFRS-EU itself does not address this interval. If such an event occurs, the management board may decide to prepare the financial statements again (with a new, later date of authorisation for issue) reflecting the effects of those events. Where such an event arises for a listed entity, the entity must also publish an immediate announcement (Article 5:25c(7) Financial Supervision Act).

Application of Article 2:362(9) NCC (combinations 3 and 4)

Article 2:362(9) NCC declares certain Articles and Sections of Title 9 Book 2 NCC applicable when the financial statements are prepared in accordance with IFRS-EU. In practice, differing views exist as to whether the disclosure requirement concerning the average number of employees (Article 2:382 NCC) included in Article 2:362(9) NCC also applies to consolidated financial statements prepared under IFRS-EU. The Dutch Accounting Standards Board takes the view that it does, because this disclosure is relevant not only to company-only financial statements but also to consolidated financial statements prepared under IFRS-EU. The Board has therefore clarified this point.



Content of Article 2:362(9) NCC :

An entity that prepares its financial statements in accordance with IFRS-EU applies only the following provisions of Title 9 Book 2 NCC:

- Art. 362(6) sentence before the final sentence, containing the requirements for reporting where, after adoption, the financial statements prove to contain a serious deficiency;
- Art. 362(7) final sentence, stipulating that the line-items in the financial statements must be described in the Dutch language unless the general meeting decides otherwise;
- Art. 362(10) concerning the statement indicating according to which standards the financial statements have been prepared;
- Art. 365(2) regarding the legal reserve for capitalised research and development costs;
- Art. 373 on the presentation and disclosure of equity;
- Art. 379(1) and (2) regarding information on equity interests of at least 20 per cent;
- Art. 380b(d) requiring disclosure of the number under which the entity is registered in the Trade Register;
- Art. 382 concerning the disclosure of the average number of employees;
- Art. 382a concerning the disclosure of audit fees;
- Art. 383 and 383b-383e on disclosures of remuneration – and, in the case of listed NVs, share or option holdings – and loans, advances and guarantees granted to management board and supervisory board members;
- Art. 389(8) concerning the foreign currency translation reserve;

² Combination 3 relates to consolidated financial statements prepared in accordance with IFRS-EU, together with company-only financial statements prepared under Title 9 Book 2 NCC, whereby the entity elects to apply in the company-only financial statements the measurement principles it has used in the consolidated financial statements. Combination 4 relates to consolidated financial statements prepared in accordance with IFRS-EU and company-only financial statements prepared under IFRS-EU supplemented by the applicable Articles of Title 9 Book 2 NCC.

- Art. 389(10) requiring, in the notes to the company-only financial statements, disclosure of the differences between equity and profit or loss in the company-only financial statements and in the consolidated financial statements;
- Art. 390 concerning the revaluation reserve;
- Section 7, Art. 391 and 391a, Management board report;
- Section 7, Art. 391a, Country-by-country reporting;
- Section 8, Art. 392, Other information;
- Section 9, Expert investigation; and
- Section 10, Publication.

The Dutch Accounting Standards Board has further clarified that Article 2:362(9) NCC is principally relevant where the company-only financial statements are prepared under IFRS-EU. It is not relevant where the company-only financial statements are prepared under Title 9 Book 2 NCC and only the consolidated financial statements are prepared under IFRS-EU. In that situation, the Articles and Sections listed in Article 2:362(9) NCC already apply to the company-only financial statements.



Adjustments made in response to comments received

Following feedback from stakeholders, the Dutch Accounting Standards Board has amended the Dutch Accounting Standards in several areas. The main changes concern:

- accounting for the effect of changes in estimates relating to the provision for major maintenance;
- the classification of non-current debt when loan covenants are breached;
- an amendment to the scope of 'share-based payments'; and
- the disclosure requirement 'cost of inventories'.

Accounting for the effect of changes in estimates relating to the provision for major maintenance

Where an entity elects to account for major maintenance through a provision for major maintenance, additions to the provision are based on the estimated amount per maintenance component and the estimated interval between successive major-maintenance cycles. Up to now it was unclear whether, when those estimates change, the effect must or may be recognised through a catch-up addition to – or release of – the provision. The Dutch Accounting Standards Board has clarified that changes in the estimated amount per component and/or in the timing of the major maintenance are accounted for prospectively. Accordingly, the remaining amount to be accrued is allocated over the residual accrual period; a catch-up addition or release is therefore not permitted.

If, to date, an entity has recognised catch-up additions in its financial statements, this constitutes a change in accounting policies. The change may be applied prospectively. In that case, only changes in estimates occurring from the date of first application of the amended standard (i.e. 1 January 2026, or the relevant effective date in the case of (1) earlier adoption of the change or (2) a non-calendar financial year) are accounted for under the new approach. Earlier changes in estimates and the comparative figures are not restated. Alternatively, the change in accounting policies may be applied retrospectively in accordance with DAS 140 'Changes in accounting policies', with full restatement of the comparative figures.

Classification of non-current debt when loan covenants are breached

A situation may arise in which a non-current liability becomes payable on demand because, at the reporting date, the loan covenants are not met, yet a waiver has been obtained before the financial statements are prepared. The question is whether the liability must (or may) be classified as non-current or as current. A waiver effectively means that the lender relinquishes its right to demand payment of the loan owing to the breach that existed at the reporting date. The Dutch Accounting Standards Board has noted that a different scenario can also arise in the event of a covenant breach. Namely, where the lender does not demand immediate payment, provided that the entity restores its financial position during an agreed remediation period. In this case the lender has not relinquished its right to call the loan because of the breach at the reporting date. If, at the end of the remediation period, the required recovery has not been achieved, the lender may still demand payment – which is still a consequence of the breach that existed at the reporting date. Although the breach is not cured, the lender cannot exercise its right to call the loan during the agreed remediation period.

The Dutch Accounting Standards Board has clarified that the liability is classified as non-current only if the agreed remediation period runs for at least 12 months after the reporting date. In that case the loan cannot be called within twelve months of the reporting date. If the remediation period is shorter than twelve months, the liability is classified as current, because the loan may be called within twelve months as a result of the breach that existed at the reporting date.

To give effect to the above, the 2026 DAS stipulates the following:

- a. if the covenants of a long-term loan are not met at the reporting date and, as a consequence, the liability becomes payable on demand, the entity must classify the liability as current, unless, on or before the reporting date:
 - a ‘waiver’ has been obtained whereby the lender waives its right to call the loan because of the breach; or
 - the lender has agreed to a remediation period during which immediate repayment in respect of the breach is not possible and that period extends to at least twelve months after the reporting date;
- b. if the covenants of a long-term loan are not met at the reporting date, but after the reporting date and before the date of authorisation for issue either a waiver is obtained, or a remediation period is agreed that runs for at least twelve months after the reporting date and precludes immediate repayment, the liability may be classified as non-current. The use of this option must be disclosed;
- c. if the covenants of a long-term loan are met at the reporting date but it is expected that they will be breached within twelve months after the reporting date, the liability is classified as non-current because, at the reporting date, it is non-current. As an alternative, however, classification as current is permitted. When this alternative is applied, this must be disclosed.

Amendment to the scope of ‘share-based payments’

Under the current Dutch Accounting Standards, DAS 275 ‘Share-based payments’ does not have to be applied to share-based payments that are initiated or settled by a party outside the entity’s consolidation scope. A common example is a share or option plan operated by the entity’s parent entity. When this exemption is applied, the share-based payment granted to the entity’s employees is not recognised in the entity’s financial statements (only in those of the parent). The Dutch Accounting Standards Board has concluded that the exemption may not be used for share-based payments that are settled by the entity itself. Those payments must always be accounted for in accordance with DAS 275. Henceforth, the exemption may be applied only to share-based payments that are settled by a party that is not part of the entity’s consolidation scope. The mere fact that a scheme is initiated, for example, by a parent entity is no longer sufficient.

If, as a result of this amendment, the exemption can no longer be applied, the change constitutes a change in accounting policies. The entity must account for this change retrospectively, including restatement of the comparative figures, in accordance with DAS 140 ‘Changes in accounting policies’.

Disclosure requirement: ‘cost of inventories’

Under the previous wording of DAS 220 ‘Inventories’, an entity had to disclose the breakdown of the cost of sales when the profit and loss account was presented using the model by nature of expense. No such disclosure was required when the profit and loss account was presented using the model by function of expense. This requirement has been revised. The notes now only need to state the amount of the cost of inventories – i.e. the expenditure included in measuring the inventory that has since been sold. There is no longer any requirement to disclose the breakdown of the cost of sales. Cost of sales comprises (1) the cost of inventories and (2) other costs (for example, indirect production overheads not allocated to inventory and abnormal production costs). Depending on the nature of the entity’s activities, other costs such as distribution costs may also be included in cost of sales. These do not have to be disclosed.

The disclosure must be provided irrespective of whether the profit and loss account is presented under the model by nature of expense or under the model by function of expense.

Medium-sized entities are exempt from disclosing the cost of inventories.



Updated Dutch Corporate Governance Code

The Dutch Corporate Governance Code was updated in March 2025. In addition to various technical amendments:

- a. the so-called Risk Management Statement (Verklaring Omtrent Risicobeheersing, VOR) has been incorporated into the Code; and
- b. the management board report must include more extensive information on risks and risk management.

These changes aim to provide greater transparency regarding the management of operational, compliance and reporting risks.

Under the previous (2022) Code, the management board report already had to contain a board statement in which the management board, with clear substantiation, declared that, inter alia (1) the report provides adequate insight into any deficiencies in the effectiveness of the internal risk-management and control systems; and (2) those systems provide reasonable assurance that the financial statements are free from material misstatements. The new Code adds that the management board, again with clear substantiation, must also declare:

- that these systems provide at least limited assurance that the sustainability reporting is free from material misstatements; and
- the level of assurance these systems provide that operational and compliance risks are being managed effectively.

The requirements for reporting on risks and risk management in the management board report have been amended as follows:

- it has been clarified that the description of the design and operating effectiveness of the internal risk-management and control systems for the past financial year must address operational, compliance and reporting risks;
- the management board must state which frameworks were applied; and
- the management board must now also report on its assessment of the effectiveness of the internal risk-management and control systems in respect of operational, compliance and reporting risks for the past financial year.

The Dutch Accounting Standards Board has incorporated these amendments into DAS 400 'Management board report'. DAS 404 'Remuneration statement and remuneration report' and DAS 405 'Supervisory board report' have been amended editorially to reflect the revised Code.

The updated Dutch Corporate Governance Code is expected to be embedded in legislation during 2025 through inclusion in the Decree on the Content of Management Board Reports.

Contact information

For questions, comments, or suggestions:

Corné Kimenai

ckimenai@deloitte.nl

Dingeman Manschot

dimanschot@deloitte.nl

Lianne Suurland

lsuurland@deloitte.nl



Deloitte refers to one or more of Deloitte ToucheTohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's more than 415,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte organization shall be responsible for any loss whatsoever sustained by any person who relies on this communication.