

What is a consolidated group for financial accounting purposes

A consolidated group for financial accounting purposes is a group consisting of all entities that are fully included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards or the financial reporting framework of a Member State of the European Union (**subsection 4 of § 54² of the Income Tax Act**).

If a resident company is a part of a consolidated group for financial accounting purposes, it can **choose between two group exceptions** when taxing surplus borrowing costs. In order to use the exceptions, the conditions set forth in **subsections 8 and 9 of § 54² of the Income Tax Act** must be met.

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