



Federation of European Accountants  
Fédération des Experts comptables Européens

## FEE Communiqué

### Summer 2008

**FEE Executive** met on 24 June, held a conference call on 20 August and met on 3 September; Council met on 25 June under the chairmanship of President Jacques Potdevin.

#### AUDITING

The Executive welcomed the EC Recommendation of 6 June 2008 on **Auditors' liability** and the longer term strategy proposed by the CEO aimed at sustaining the momentum and stimulating effective reform in the Member States. FEE will engage with its Member Bodies and with Brussels-based stakeholders to secure further progress on this matter.

Noting the growing debate on an **assurance** service other than the audit applicable to smaller entities, the Executive supported the idea of discussing the matter proactively within the auditing working party.

During an exceptional conference call on 20 August, the Executive agreed a series of preliminary comments to the Commission on implementation measures regarding article 47 of the Statutory Audit Directive on the **cooperation with third countries audit regulators** (access to working papers).

The Executive reviewed the draft report of the Maastricht Accounting Research Centre (MARC) on the **Study on the Added Value of the Accounting Profession**, the survey of literature commissioned by FEE on the matter. The Executive agreed that a delegation of the Executive should meet with the research team to discuss the draft and contribute to improving its quality.

The Executive approved the presentation to be delivered by FEE President to the **European Parliament public hearing on audit regulation** on 9 September. FEE coordinated with other speakers (ECG, IAASB, NIVRA, IDW) and will focus on public oversight, quality assurance, network definition and ISAs adoption, presenting the consensual views of the European profession on these issues.

#### IFAC

The Executive approved a response to the IFAC consultation paper on **Translation of IFAC Standards**.

The Executive will submit comments aimed at improving the due process of **IAASB** and **IEASB** and the respective **CAGs**.

## FINANCIAL REPORTING

The Executive welcomed the draft FEE response on the **IASCF Constitution Review** that should now be finalised by the President and Deputy President.

The Executive expressed its appreciation of the progress made regarding the **enhancement of EFRAG**. The compromise reached was thoroughly discussed in Executive and Council and FEE will respond accordingly to the public consultation.

The Executive approve the following **FEE comment letters**: to EFRAG and ASB on the PAAinE Discussion Paper: The Financial Reporting of Pensions; to EFRAG on its initial technical assessment of the Amendments to IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate and its initial assessment of the costs and benefits of application in the EU; Memorandum of Understanding FASB and IASB; IPSASB Consultations on Financial Reporting for Social Benefits and on IPSASB Consultation Paper: Accounting and Financial Reporting for Service Concession Arrangements; Final Terms of Reference for Auditing Compliance with Service Unbundling and Accounting Separation and Assessing General Compliance – Code of Conduct on Clearing and Settlement – FEE “Support”.

## Capital Markets Group

The Executive expressed its keen appreciation of the work performed by Jan Buisman at the Chair of the Group. Jan now retired from practice after a very busy and successful career and all Executive members send their warmest thanks and best wishes to him. The Executive agreed to appoint Dr Martin Pföhler from IDW as the Chair of the Group.

## SIMPLIFICATION

The Executive and the Council heard a report from the President and CEO on the developments in the EC and in the HLG (Stoiber Group). The matter was further discussed in September after the release of the opinion of the Stoiber Group on company law. It is understood that the Commission (Internal Market) has not yet made its decision on this opinion and that there are perceptions that the credibility of Mr Stoiber in the field is deteriorating.

## SME/SMP

On 3 September, the Executive met in Copenhagen ahead of the **Fourth FEE SME/SMP Congress** (3-5 September) co-organised with NRF. The Congress was seen as a great success with large participation and exceptionally fruitful sessions. The Executive particularly acknowledges the commitment and outstanding efforts of the FEE team.

On 26 June, the **SME/SMP Advisory Panel** met for the first time. This is the first Advisory Panel set up by FEE further to the revision of the Internal Rules. Advisory Panels are high-level groups aimed at providing insight and strategic input to FEE. The Panel is predominantly composed of external stakeholders with a balanced representation of Member States, Business leaders and SME organisations. The outcome was above expectations and the Panel delivered a first series of recommendations.

The Executive welcomed the Roundtable with CNC, GASB, ACCA/EFRAG hosted by FEE on the field-testing of **IFRS for SME** on 7 July.

### FIGHT AGAINST MONEY LAUNDERING

The Financial Action task Force to combat Money Laundering (FATF-GAFI) developed guidance for accountants inspired from its risk-based approach for financial institutions (Draft Guidance on the **Risk-Based Approach to Combating Money Laundering** and Terrorist Financing). The Executive decided to provide comments to FATF on this Draft Guidance.

### COMPANY LAW AND CORPORATE GOVERNANCE

The Executive agreed to use the written approval procedure to finalise the FEE comment letter on the EC proposed Regulation on **European Private Company** once the WP will have finalised its position.

### SUSTAINABILITY

The Executive welcomed the success of the FEE **Sustainability Education Roundtable** of 29 May 2008.

### QUALIFICATION AND MARKET ACCESS

The Executive expressed its satisfaction after the success of the FEE **Round Table on Qualification and Recognition** on 17 June 2008 attended by representatives from 19 Member States Authorities and the European Commission.

### TAXATION

The European Court of Justice Group of the Direct Tax Working Party prepared comments on the pending **ECJ case 'Cobelfret'**. The Executive agreed to publish it as a FEE Statement.

Regarding the draft paper on the **Common Corporate Consolidated Tax Base**, it was noted that the EC has high expectations that FEE will provide its technical comments on the EC document and agreed to further develop the FEE comments.

### GOVERNANCE

The Executive held a fruitful preliminary discussion on the 2009-2010 action plan steered by the Deputy President and was highly appreciative of the outcome. FEE communication tools and strategy were also reviewed.

The Executive reviewed the Interim Financial Statements

Further to an invitation of the World Bank, the Executive welcomed the idea of reinforcing its relations with the Bank, in particular on communication activities in the field of financial reporting and corporate governance.

The registration of FEE on the new Interests Representatives Database of the Commission in the framework of the European Transparency Initiative was approved. The CEO will send further information to Member Bodies.

## **FEE CALENDAR**

The Executive invites you to note the following dates.

### **2008**

Thursday 23 Oct.: EC/FEE public sector conference

Friday 5 Dec.: Joint FEE/IFAC SEAP Roundtable on Emissions

Tuesday 9 Dec.: FEE Audit Regulatory Conference

Thursday 18 Dec.: General Assembly

### **2009**

Wednesday 11 Feb.: Executive Meeting with Working Party Chairs

Wednesday 18 March: Council

Wednesday 1 July: Council

Wednesday 7 Oct.: Council

Friday 23 October: Member Bodies Presidents' meeting (Lisbon)

Wednesday 16 Dec.: Council

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This Communiqué is intended for the sole benefit of FEE Member Bodies. It is not an official record of the meeting or of the decisions taken and has not been approved by the Executive. The agenda and the minutes of the meeting can be found on FEE Extranet as soon as they are available. For further information, please contact the FEE Secretariat.