



Federation of European Accountants
Fédération des Experts comptables Européens

FEE Communiqué

March 2009

FEE Executive met on 17 March, and Council on 18 March, under the chairmanship of President Hans van Damme.

FINANCIAL REPORTING

EC Consultation on Accounting Directives

The Executive discussed the preparation of the FEE response to the EC consultation. The Council meeting on 18 March approved the overall direction and exchanged views on the key messages for the FEE response. A holistic approach leading to a fundamental review of the Directive is strongly supported by FEE, emphasising that this can hardly be realised within what is the too short timetable of the EC.

Executive and Council also discussed the FEE reaction to the EC proposal on micro-entities. While recognising the existence of different views, Council was largely of the view that FEE should advocate for the added value of having a European framework, even for micro - entities and express its doubts that any substantial reduction of the administrative burdens may be achieved just by referring the decision to define requirements on preparation and publication of financial statements to Member States. A letter to the European Parliament might be prepared.

Financial Crisis

The European Commission launched a consultation on the improvement of supervision in the financial services sector, following the report of the High Level Group on financial supervision in the EU chaired by Jacques de Larosière. The Executive decided to prepare a FEE position on aspects of this report which relate to financial reporting issues, ideally in advance of the G20 meeting.

The Executive also discussed and approved a policy paper defining the FEE position on dynamic provisioning against the background of the discussion on prudential versus public financial statements. The Executive also decided to answer the questions raised by the IASB Financial Crisis Advisory Group.

AUDITING

Council approved the FEE response to the European Commission's consultation on control structures in audit firms and their consequences on the audit market. FEE's submission can be found on the website.

The Executive and Council held an extensive exchange of views on the FEE policy concerning the implementation of ISAs in the EU. Council confirmed its commitment to supporting the European Commission to endorse clarified ISAs for application in audits of all entities in the EU. Council considered it crucial that regulators and supervisors also accept that clarified ISAs are principles-based standards and are standards that can be applied and documented in line with the size and complexity of the entity audited.

Executive and Council received a progress report on the Auditing Working Party survey on alternative assurance services, confirming the risk of fragmentation of the EU market if common solutions are not urgently developed.

APPROVAL OF COMMENT LETTERS

The Executive approved letters to Standard Setters concerning (i) The Exposure Draft of Guidance for the use of AA 1000 AS (2008) on assurance on sustainability reports; and (ii) the Consultation Paper Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities; and (iii) the IASCF Constitution Review Part II.

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ORGANISATION OF CONFERENCE AND EVENTS

The Executive decided to organise jointly with EUROSIF, a Sustainability Roundtable on 29 April on CSR disclosures in the European Parliament.

The Executive also confirmed the organisation of a Tax Day which should take place on 8 October.

GOVERNANCE

On recommendation of the Executive, Council approved the priorities of Working Parties as a second part of the 2009 Action Plan. Upon recommendation of the Executive, Council also approved the appointment of Working Parties Chairs exceeding the normal term in the position.

The 2008 Financial Statements were adopted.

The Executive approved a letter to the Chamber of Auditors in Romania responding to its application for membership of FEE.

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.