



Federation of European Accountants
Fédération des Experts comptables Européens

FEE Communiqué

April 2009

FEE Executive met on 21 April 2009 under the chairmanship of President Hans van Damme.

FINANCIAL REPORTING

EC Consultation on the Review of the 4th and 7th Directive

In its March meeting the FEE Council discussed the main headlines of the FEE position on the review of the EU Accounting Directives and delegated to the Executive the detailed response to the questions raised by the European Commission. Having received a proposal of a joint group of interested working parties, the Executive discussed and approved the response to the EC consultation. To further implement Council's decision, the Executive also agreed a letter to the European Parliament and Council concerning the proposed Directive exempting micro-entities from the 4th Directive.

Based on the last available information from EU institutions, it appears that this Proposal faced a blocking minority in Council and will now be considered simultaneously with the broader project on revising the Accounting Directives

IFRS

The Executive approved a letter to EFRAG and IASB on consequences of US-FASB proposed amendments to fair value measurement and impairment of certain investments in debt and equity securities. The issue is about maintaining a level playing field on accounting for financial instruments. FEE shares the concerns expressed on insufficient guidance on fair value measurement in illiquid markets despite the IASB Expert Advisory Panel guidance of October 2008. FEE also suggested the impairment treatments to be considered within the comprehensive ED on financial instruments which is expected before the end of the year.

The Executive also approved a letter to the US-SEC on the roadmap for the potential use of financial statements prepared in accordance with IFRS by US issuers. In this letter, FEE underlines that "only global standards will meet the wider objective of financial stability, efficiency and transparency, and provide the benefit of increasing confidence in financial markets and of facilitating global investments, thereby reducing the cost of capital".

AUDITING

As requested by Council, the Executive discussed and approved a policy statement on International Standards on Auditing (ISAs). In anticipation of the EC Public Consultation on the adoption of ISAs for all audits in the EU, the policy statement will serve as a background document explaining what such adoption means in practice. FEE is calling upon IAASB as well as EGAOB to respond to concerns expressed regarding applicability and relevance of clarified ISAs in an SME environment and the related documentation requirements.

The Executive received reports from Deputy President Philip Johnson on the IAASB Consultative Advisory Group, the EGAOB ISA-Subgroup and the XBRL Task Force. It also approved the formation of a Task Force on implementation of ISAs focussing on the needs of SMPs, as well as on those of smaller FEE Member Bodies.

CORPORATE GOVERNANCE

The Executive discussed the progress of the survey on "Assurance on Corporate Governance Statements". A number of major divergences of views have delayed the preparation of the FEE paper. However the Executive remains convinced that such a paper is much needed in practice. It decided that such paper should continue to be prepared as a 'discussion paper' relating to assurance on corporate governance statements acknowledging possible different views on which commentators can reflect. A small group will be requested to work towards achieving this objective.

EDUCATION

The Executive approved a letter prepared by the Qualification and Market Access Working Party commenting on the Draft Framework for International Education Standards of the International Accounting Education Standards Board. The President also reported on his participation to a meeting of the Common Content Project. The Executive confirmed that FEE could only be directly associated with this project if all Member Bodies can equally participate to the initiative.

GOVERNANCE

The Executive received a progress report from the Task Force in charge with the preparation of the Presidents' meeting of 23 October in Lisbon. It also revised the programme of the EU development seminar which will be organised in electronic form in order to facilitate the participation of a wider audience. The Executive welcomed the FEE Annual Review for 2008.

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.