



Federation of European Accountants
Fédération des Experts comptables Européens

European Accountants: Shaping the Future

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Closing Remarks

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Standing for trust and integrity



Messages from the European Commission

- Want to reduce burden on SMEs
- Real difficulty is “how”
- Recognition that SMEs are fundamentally important to the economy so need to grow and develop the sector (99% of companies in Europe)
- Need to reflect on what changes, if any, are needed

➤ Financial Reporting

↳ Micro entities

- Member State option
- Not about reporting and accounting rules
- Parliament voted for revised proposals

↳ Other SMEs

- Revision of 4th and 7th Directive
- IFRS for SMEs
- “Evolution” not “Revolution”

➤ Financial Reporting (cont)

↳ Listed SMEs

- Should EC provide different rules?
- Should they have full IFRS or something else?
- What can be done in areas such as Prospectuses and other reports to shareholders?

Messages from the European Commission

- Auditing
 - ↳ Structure of the market
 - ↳ ISA adoption
 - ↳ Audit for SMEs – do we need to simplify audit for SMEs
 - ↳ Supervision and inspection of audit firms across Europe

Messages from our clients

- Improve your knowledge of the business
- More focus on the business and less on figures
- SMEs want support from SMPs to help them develop their businesses
- Wide range of services to be provided not just audit
- Prepared to pay for added value services



Messages from our clients

- Expectation for advisory services
 - ↪ Advice on efficiency of IT services
 - ↪ Risk management within the business
 - ↪ Advice on non financial matters
 - Sustainability
 - Internal control
 - Corporate Governance
 - Access to capital

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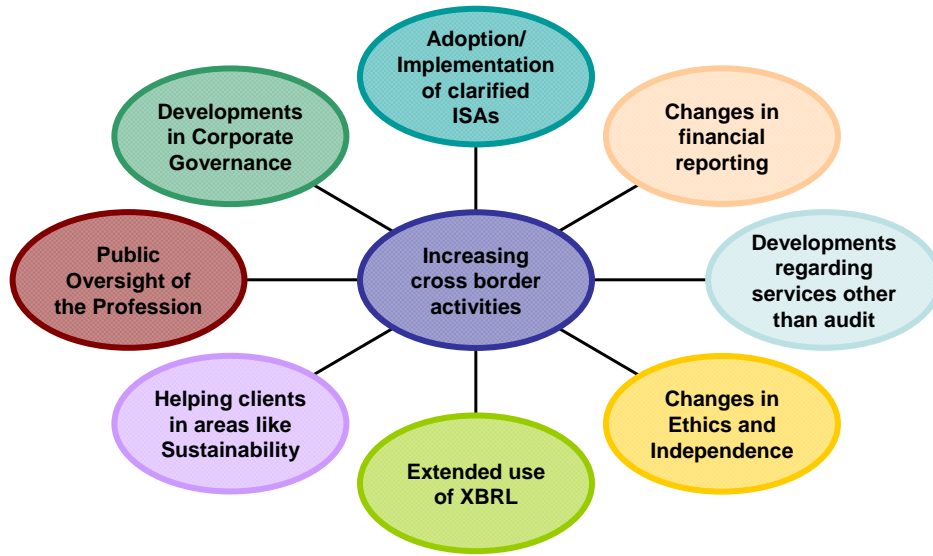
Questions around the messages delivered by our clients

- Issues for us the profession
 - ↪ Can all this be provided by one person?
 - ↪ What about the concern in some (all) jurisdictions over Scope of Services
 - ↪ Will the Regulators allow SMPs to provide SMEs with the services they want as well as be their auditor?

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The accountancy profession at a crossroads



Some other messages from the conference

- There will be more regulation but there is a desire to get it right first time
- Profession is changing and our services to SMEs will change
- Clients want to pay for expertise and experience
- Audit is a diminishing market but other services will stand in its place



Remember these messages from our clients

- Improve your knowledge of the business
- More focus on the business and less on figures
- SMEs want support from SMPs to help them develop their businesses
- Wide range of services to be provided not just audit
- Prepared to pay for added value services



Main message from the conference

We have a big opportunity
(if we seize it)
as well as a big challenge