



Federation of European Accountants  
Fédération des Experts comptables Européens

## FEE ROUNDTABLE ON QUALIFICATIONS AND RECOGNITION Tuesday, 17 June 2008

FEE has organised a Roundtable on Qualifications and Recognition, held on 17 June 2008. 61 representatives from the European Commission, Member State governments and licensing bodies as well as from FEE Member Bodies from altogether 19 European countries followed the invitation and attended the Roundtable.

During the FEE Roundtable on Qualifications and Recognition on 17 June 2008, participants discussed the practical impact and the inter-relationship of EU legislation regarding the freedom of establishment and the freedom to provide services and addressed some important pending questions from the perspective of the accountancy profession.

FEE had raised and analysed such questions in the paper “Internal Market for Services and the Accountancy Profession: Qualifications and Recognition”. The FEE paper, published in November 2007, is available in English and French ([http://www.fee.be/currentissues/default.asp?library\\_ref=4&category\\_ref=134&wp=2&archive=yes&content\\_ref=n](http://www.fee.be/currentissues/default.asp?library_ref=4&category_ref=134&wp=2&archive=yes&content_ref=n)).

### Opening session



**Jacques Potdevin**, the President of FEE, opened the Roundtable, emphasising that the economy is globalising and that accountants can benefit from globalisation by taking advantage of the possibilities offered by the European Single Market.



**André Killesse**, Chair of the FEE Working Party on Qualification and Market Access (QMA), provided the background for the discussions with analyses of the inter-relationship between the relevant EU Directives (Directive on Recognition of Professional Qualifications, Statutory Audit Directive, Services Directive) as set out in the FEE paper.



**Pamela Brumter**, European Commission, DG Markt, Head of the Unit Regulated Professions, emphasised that the FEE paper represents a comprehensive analysis of the complex issues. She provided an overview of the status of transposition and the system of electronic exchange of information between competent authorities in the Member States.



**Karolina Majewska**, European Commission, DG Markt, Unit Auditing, drew the attention to the open questions related to statutory audit, in particular whether there is a freedom to provide statutory audit services on a temporary and occasional basis and what the scope the aptitude test is.

## Work session 1: Provision of non-statutory audit services

The temporary and occasional cross-border provision of non-statutory audit services without establishment in the host Member State was the theme of the first work session; questions related to the pro-forma declaration and the application of host Member State rules on supervision and disciplinary procedures were addressed.



**Martin Manuzi**, member of the FEE QMA Working Party, introduced theme and questions.

He pointed out that the host Member State might require the service provider to inform the competent authority through a pro-forma declaration prior to providing services only where the profession or service provision is regulated in the host Member State.

During the following tour de table, the corresponding practice in the Member States was confirmed, showing the broad variety of regulated and not regulated services provided by accountants. Participants suggested that clarification of the various professional titles used in the different Member States could increase market transparency.

Regarding the application of host Member State rules on supervision and disciplinary procedures it turned out that generally the disciplinary system of the professional body applies where regulated services are provided.

Participants also discussed whether a service provider from another Member State should dispose of a professional address in the host Member State. Cooperation between the competent authorities in the Member States also needs to be considered.

## Work session 2: Provision of statutory audit services

The provision of statutory audit services in another Member State was the theme of the second work session; questions related to the required infrastructure were addressed.



**Jean-Luc Doyle**, member of the FEE QMA Working Party, introduced theme and questions.

Auditors seeking to provide statutory audit services in another Member State have to be approved and registered in the host Member State. Many Member States still seem to follow previous ECJ jurisdiction and require a minimum infrastructure in the host Member State as part of the process of approval and registration.

During the following discussion, participants expressed their views on the usefulness of maintaining the requirement for a minimum infrastructure or even a professional address. The European Commission argued that cooperation between competent authorities in the Member States as now set out in the Statutory Audit Directive may supersede such requirements. Developments in some Member States seem to go against any kind of local infrastructure, in others towards a professional address.

## Work session 3: Establishment of accountants

The establishment of accountants providing statutory audit and non-statutory audit services in another Member State was the theme of the third work session; questions related to compensation measures, in particular aptitude tests were addressed.



**Helmut Klaas**, member of the FEE QMA Working Party, introduced theme and questions.

In the case of statutory audit service providers seeking establishment in another Member State an aptitude test as compensation measure is required. For non-statutory audit service providers a compensation measure may be required where the profession is regulated in the host Member State. Applicants must have the choice between aptitude test or adaptation period.

Participants explained how the aptitude test is organised in their countries, showing that a wide range of systems exists. Depending on the country, the test is organised once a year or on specific request, written test or oral test or both are required. Generally, company law and tax law are the main subjects. The number of applicants seems to be quite limited which might be due to the fact that in most countries the aptitude test must be passed in the national language. Special requirements for statutory audit services for banks, insurances and other financial institutions exist in some countries.

## Conclusion

**Jacques Potdevin**, the President of FEE, concluded the Roundtable, expressing his gratitude to speakers and participants for their contribution. He asked the FEE QMA Working Party to move forward with its agenda and consider whether further progress can be made in the harmonisation of the aptitude test.

