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Dear Mr Geloso Grosso,

**Re: OECD STRI for accounting services**

- (1) We would like to thank you again for inviting the FEE (the Federation of European Accountants)<sup>1</sup> CEO, Olivier Boutellis-Taft for a presentation on the occasion of the Experts Meeting on the Services Trade Restrictiveness Indices (STRI) at the OECD Conference Centre in Paris on 2 - 3 July 2009.
- (2) We now seize the opportunity to provide some comments regarding the STRI that might serve as input to the ongoing OECD work which we welcome and to the further development of the STRI.
- (3) For clarification purposes, we would like to draw your attention to the fact that the EU legal framework for the provision of accountancy services in another Member State depends on (i) whether statutory audit services or other auditing and accounting services are concerned and (ii) whether the profession is regulated in the home Member State and/or in the host Member State.<sup>2</sup>
- (4) As far as statutory audit services are concerned, the Statutory Audit Directive and the Services Directives make clear that temporary cross-border service provision is not foreseen. An auditor always needs to be approved and registered in the Member State where he wants to carry out statutory audit. Statutory auditors approved in another Member State will need to follow an aptitude test in the host Member State before they can be approved and registered.

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<sup>1</sup> FEE (Fédération des Experts Comptables Européens – Federation of European Accountants) represents 43 professional institutes of accountants and auditors from 32 countries, including all of the 27 EU Member States. With a combined membership of more than 500.000 professional accountants, FEE works in the public interest to contribute to a more efficient, transparent, and sustainable European economy.

<sup>2</sup> See page 51 et seq. of the FEE Paper on „Internal Market for Services and the Accountancy Profession: Qualifications and Recognition“ published in November 2007

- (5) For other accountancy services and in case the profession is regulated in the host Member State, a pro-forma declaration may be requested according to the Directive on the Recognition of Professional Qualifications and it is in fact requested in all Member States<sup>3</sup> before the accountant starts to provide the services.
- (6) For further detailed information on these issues, we refer to the FEE paper on *Internal Market for Services and the Accountancy Profession: Qualifications and Recognition*,<sup>4</sup> published in November 2007 that provides an analysis of the applicable EU rules in case of temporary provision of accountancy services in another Member State and in case of establishment of accountants in another Member State. FEE has also contributed to the discussions around the recognition of professional qualifications and organised the *FEE Roundtable on Qualifications and Recognition* on Tuesday, 17 June 2008, of which a summary is available on our Website.<sup>5</sup>
- (7) Furthermore, we would like to point out that though financial statements may be prepared on either International Financial Reporting Standards (IFRS) or the US Generally Accepted Accounting Principles (US-GAAP), this is only valid as far as consolidated accounts are concerned. Individual financial statements will often be prepared in accordance with national GAAP as far as this is required by the national legislation.
- (8) Regarding the suggested barriers to competition listed for accounting services in the document *CPC PROV. 862*, the reference to "... limits to the number of proportion of shares that can be acquired by foreign investors in firms that are controlled by national, state or provincial governments" might benefit from further consideration and precision.
- (9) We would be pleased to discuss any aspect of this letter you may wish to raise with us and to contribute to any further work to be carried out by the OECD in this regard.

Yours sincerely,



Hans van Damme  
President

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<sup>3</sup> See Scoreboard of the Professional Qualifications Directive, Second Version, 15 April 2010

<sup>4</sup> [http://www.fee.be/publications/default.asp?library\\_ref=4&content\\_ref=761](http://www.fee.be/publications/default.asp?library_ref=4&content_ref=761)

<sup>5</sup> Summary available at [http://www.fee.be/news/default.asp?content\\_ref=848&library\\_ref=2](http://www.fee.be/news/default.asp?content_ref=848&library_ref=2)