

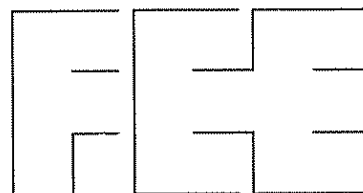
Date
26 September 2007

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Général

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Mr. Charlie McCreevy
Commissioner
European Commission
rue de la Loi 200
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cc. Mr. Jörgen Holmquist
Mr. Pierre Delsaux

Dear Commissioner,

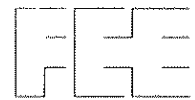
FEE – the European Federation of Accountants has expressed its support to the overall objectives of better regulation and simplification, as well as the reduction of administrative burden. We outlined that in order to achieve real benefits for enterprises and society these objectives have to be balanced with other public policy goals. In this respect, we believe that the Commission rightly decided to make an impact assessment of regulatory measures a priority of its policy on better regulation.

Impact assessments often include an economic study to assess the costs and benefits of the proposed regulation. It is indeed essential to collect quantitative evidence on costs and benefits for business and society. Unfortunately, economic studies may be very difficult to perform because of a lack of relevant data or of sufficiently robust statistical instruments at EU level.

We believe that the Study on Administrative Costs of the EU Company law Acquis (July 2007 by Ramboll Management) provides a topical example of a study using unreliable data and inappropriate proxies. We are concerned that such fundamental methodological flaws can only bring misleading conclusions. Some examples among many others are sufficient to illustrate the problems:

- Many figures are derived from a panel of only seven individual "experts", members of the same network and originating from five countries out of 27 where some of the most significant economies such as Germany or Italy are simply ignored.
- Further in the study, the report states "the total number of enterprises imposed by requirements in the EU company law acquis has been distributed on these companies on the basis of the known distribution of the Danish companies" (p. 10); unfortunately, we doubt that Denmark, which is an advanced economic and social model, can be a reference for the EU 27.
- On page 31, the report argues that it would take substantially more time to audit group accounts than to prepare these financial statements, which does not make much sense.

Furthermore, the objective and the title of the study clearly indicate that only the costs to one category of stakeholders are considered and not the benefits that the Company Law Directives bring to the other stakeholders. We understand that this study is in no way an impact assessment in itself but we are concerned that it may be confusing and misleading in the context of an impact assessment.



Concerning Section 4 of this report, we would like to observe that the consultants clearly state that their proposals address deregulation, not simplification, in contradiction to what seemed to be the policy objective of the Commission. They also acknowledge that deregulation should be "replaced by an increase of the responsibility of management" for any losses that may occur due to the matter (para. 1.4, p. 72). In our view, this issue is a fundamental political choice rather than an issue on administrative costs.

FEE believes that such an over-simplistic statistical approach cannot contribute to a credible impact assessment and could even undermine the Commission's projects.

As, in our view, this Report raises other significant issues, we remain at your disposal to discuss it in more detail, possibly with Ramboll themselves. We would also be pleased to provide you with further views on impact assessment procedures which, as we said above, must be robust enough to fully justify the Commission's proposals.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'J. Potdevin', written over a horizontal line.

Jacques Potdevin
President