



18 March 2009

Mr Charlie McCreevy
DG Internal Market and Services
European Commission
B - 1049 Brussels
E-mail: markt-f4@ec.europa.eu

cc J. Holmquist, P. Delsaux, J. Tiedje

Ref.: QMA/HvD/PW/MB*

Re: European Commission's consultation on control structures in audit firms and their consequences on the audit market

Dear Commissioner,

In its meeting today, the Council of the Federation of European Accountants – FEE – discussed its response to the European Commission's consultation on control structures in audit firms and their consequences on the audit market.

Please find enclosed the position of FEE representing 43 professional institutes of accountants and auditors from 32 European countries, including all 27 EU Member States. We are grateful to the Commission for consulting on this matter and we hope our contribution will be of help to you.

FEE is of the opinion that auditing is fundamentally underpinned by the ethics of professional services, the quest for quality and a commitment to the public interest.

We believe no single element can create more choice and less concentration in general. The matter is complex and consideration should be given to potential impacts on capital markets, stakeholders' confidence and audit quality.

Market mechanisms should shape market structures and historically regulatory intervention has already had an indirect impact on market structures and consequently on the number of market players.



A general limitation of liability could help in maintaining at least the current level of choice and the further development of audit firms' networks could be encouraged further by implementation of the European Commission's recommendation on auditors' liability.

I would be pleased to discuss any of the points in the FEE position in further details with you or your services.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Hans van Damme', is written over a horizontal line. The signature is stylized and includes a large circular flourish on the left side.

Hans van Damme
President

Encl.