



Federation of European Accountants
Fédération des Experts comptables Européens

INFO

Standing for trust and integrity

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FEE commends ECOFIN's continued support for global standards

Brussels, 11 June 2009 – On 9 June, the EU finance Ministers met in the ECOFIN and discussed accounting standards and in particular valuation of financial instruments. The Council held an exchange of views with Sir David Tweedie, Chairman of the International Accounting Standards Board (IASB), and Gerrit Zalm, Chairman of the Trustees. FEE (Fédération des Experts comptables Européens – Federation of European Accountants) welcomes the results of these discussions

In the Conclusions of the Council, the Ministers reiterated their call made at an informal meeting in Prague on 3 and 4 April for standard setters to work urgently to achieve clarity and consistency in the application of standards used for the valuation and presentation of assets and results thereof in distressed and inactive markets. Commenting on the Council Conclusions, **FEE President Hans van Damme**, said: "We commend the Council of Ministers for their continued support for global accounting standards. This confirms the EU and G20 calls for a single set of high quality global accounting standards. A global solution on financial instruments is without doubt the best way forward. It is important to have the US on board, but convergence is not a goal that should be pursued at the expense of quality. Even though a level playing field between IFRS and US GAAP is important, the risk of driving global financial reporting towards the lowest common denominator must be avoided."

FEE Vice President Financial Reporting Petr Kriz added: "The profession has been a long-standing advocate of global standards. European initiatives after issuance of standards are therefore to be avoided. We believe IASB is the organisation to deliver global standards, through a proper due process, even if, in some cases, this due process is shortened to reflect urgency. We believe that the European requests in relation to impairment of available for sale instruments and out of the fair value option are best met by the revision of IAS 39, the standard for financial instruments."



Standard setting has become of greater interest to public policy makers and regulators as a result of wider international adoption of IFRS and the financial and economic crises. Standard setters need to be accountable to all stakeholders, including democratically elected politicians, as evidenced by an appropriate governance and due process. The profession is strongly of the view that the choices as to the most appropriate accounting treatments should appropriately reflect the practices and needs of stakeholders from all continents in a balanced way, following a proper consultation as part of the due process. Accordingly, individual stakeholders, including politicians, should engage and be able to make their views known as part of the due process consultation, but should not seek to exercise undue influence through any dominant position or political power they may hold.

Over the past years, convergence has been an important tool to move towards global standards: notably between IFRS and US GAAP. The profession supports the principle underlying convergence, providing that this leads to higher quality accounting solutions.

The IASB has committed itself to a tight and ambitious timetable and it is for all stakeholders concerned of crucial importance that the IASB adheres to this timetable and delivers in time.

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NOTES FOR EDITORS

About the ECOFIN meeting of 9 June

On 9 June 2009 the EU finance ministers met for an ECOFIN meeting. On the agenda for that meeting is a discussion on accounting standards. Sir David Tweedie, Chairman of the IASB and Gerrit Zalm, Chairman of the IASCF Trustees, joined the finance ministers for this discussion. A main topic for discussion was the IASB's response to issues raised by the financial crisis that were put forward by the EU to IASB in their letter of 27 October 2008.

The press release of the Czech Presidency on the meeting stipulated the following about accounting standards:

*This ECOFIN Council meeting was attended by the Chairman of the International Accounting Standards Board (IASB), Professor Sir David Tweedie. The Ministers thus took up the debate on accounting standards started at the informal ECOFIN meeting in Prague in April. The parties exchanged views on the need for changes in **accounting standards** in Europe, also with the aim of making them equivalent to standards valid in the USA. The Ministers appreciated the ISAB information on current ISAB activities and its future objectives.*

Previous FEE positions

FEE has reacted to the various requests for comments of the IASB, the Financial Crisis Advisory Group and the EC in relation to financial reporting and the financial crisis. These contributions of the profession can be found at our website: www.fee.be

About FEE

FEE (Fédération des Experts comptables Européens – Federation of European Accountants) represents 43 professional institutes of accountants and auditors from 32 European countries, including all of the 27 EU Member States.

In representing the European accountancy profession, FEE recognises the public interest. It has a combined membership of more than 500.000 professional accountants, working in different capacities in public practice, business, government and education, who all contribute to a more efficient, transparent, and sustainable European economy.

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