



## **European Federation of Accountants (FEE) Calls for a European Enforcement Coordination Body for IFRS**

### **Coordination body to ensure a level playing field for enforcement**

*Brussels, 07 January 2004:* FEE today called for the creation of a European enforcement coordination body, with a key role for CESR, the Committee of European Securities Regulators. FEE also called for an additional wider consultation mechanism that would give an opportunity to all stakeholders to contribute to the continuous development of the enforcement system.

The impending adoption of IFRS in Europe should be a key driver towards a fully integrated European capital market by facilitating comparability of financial information across the EU. However, FEE, which has 41 member bodies of professional accountants from 29 countries, representing more than 500,000 accountants in Europe, is concerned that the benefits of increased market efficiency will be undermined unless there is consistent enforcement of IFRS throughout Europe, a role that the proposed enforcement body would undertake.

FEE expects that the discussion paper will complement the Committee of European Securities Regulators' recently issued *draft Standard n° 2 on Financial Information – Coordination of Enforcement Activities* and that it will contribute to CESR's final deliberations on the issue.

In the '*Discussion Paper European Enforcement Coordination*', FEE calls for the creation of:

- a European enforcement coordination body with a key role for the Committee of European Securities Regulators; and
- an additional wider consultation mechanism that would give an opportunity to all stakeholders to contribute to the continuous development of the enforcement system.

#### **Enforcement Coordination**

The European coordination body's role is to ensure consistency in the processes used and decisions reached by national enforcement bodies in order to create a level playing field for enforcement of International Financial Reporting Standards, (IFRS).

Commenting on the launch of the discussion paper, FEE President David Devlin said:

"Clearly enforcement must take place at national level. Likewise it is clear that achievement of a fully integrated European capital market requires consistency in enforcement processes used and decisions reached across Europe. Therefore, FEE supports the creation of a European enforcement coordination body with a key role for CESR, the Committee of European Securities Regulators.

### **Interpretation Mechanism post-2005**

In its paper FEE notes that IFRIC should be the only body to issue interpretations of IFRS. FEE President David Devlin added:

"With the launch of this paper FEE, the representative organisation of the European accountancy profession in Europe, is again underlining its strong commitment to high quality, principles-based, financial reporting standards.

For reasons of competitiveness, comparison and capital raising, global financial markets require financial information that is prepared in accordance with global standards and global interpretations."

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**Notes for Editors:**

1. The new publication **Discussion Paper European Enforcement Coordination** can be downloaded free-of-charge from the FEE website (<http://www.fee.be>) or copies may be ordered from Sylvie Romancide (Fax: + 32 2 231 11 12, Email: [Sylvie\\_Romancide@fee.be](mailto:Sylvie_Romancide@fee.be)).
2. FEE is very proactive in the enforcement and IFRS debate. Relevant publications include: Discussion Paper on a Financial Reporting Strategy within Europe (1999); FEE Study Comparison of the EC Accounting Directives and IAS - a contribution to international accounting developments (1999); and Discussion Paper on Enforcement of IFRS (2002). All of the aforementioned publications can be downloaded free-of-charge from the FEE website (<http://www.fee.be>)
3. For more information about CESR, the Committee of European Securities Regulators and the proposed Standard No. 2 visit: <http://www.europefesco.org/v2/default.asp>
4. For more information regarding IFRIC (International Financial Reporting Interpretations Committee) and the IASB (International Accounting Standards Board): <http://www.iasb.org.uk/cmt/0001.asp>
5. The **Fédération des Experts Comptables Européens** (FEE) is the representative organisation for the accountancy profession in Europe. It groups together 41 professional bodies from 29 countries. FEE member bodies are present in all fifteen member states of the European Union, nine European Union candidate countries and three member countries of EFTA. Between them, these bodies have a combined membership of 500.000 individuals, of whom approximately 94% are from EU countries.