



# Information

Fédération des Experts Comptables Européens  
European Federation of Accountants

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For immediate use

## **Simplification: Commission should reflect on calls for more transparency**

FEE comments Commission's second progress report on the simplification strategy

*5 February 2008, Brussels* – Commenting the Commission's announcements of 30 January on simplification **Jacques Potdevin**, President of FEE (European Federation of Accountants – Fédération des Experts Comptables Européens) reiterated both his support for better regulation and his concerns that the Commission's current approach may reduce much needed market transparency and exclude SMEs from the internal market. Commission's Working Documents COM(2008) 33 and 35 include good suggestions but FEE is still worried about some proposed accounting and auditing measures which would send the decision back to Member States and negatively impact the internal market.

FEE has already outlined the importance of impact assessments and the weaknesses of the EU standard cost model which measures cost on an arbitrary and speculative basis and at the same time ignores benefits. Proposals based on such a simplistic and superficial approach will never materialise in the expected benefits; on the contrary, businesses will suffer from increased costs to supply the necessary information to markets, trading partners and creditors. This is one reason why the EUR 1.3 billion that the Commission claims to deliver to businesses is not felt on the ground. FEE welcomes the Communication COM (2008)32 of the Commission and hopes that this will offer the opportunity to improve the quality of impact assessments. However, it is regrettable that this document, as previous papers on simplification, refers to the reduction of administrative costs as an objective in itself, without considering whether these costs are necessary or excessive.



**Olivier Boutellis-Taft**, CEO of FEE, added: "In the Commission's consultation on simplification in the area of company law, a contribution from the *European Committee of Central Balance-Sheet Data Offices* noted that the Commission's proposals are in contradiction with the increased demand for transparency and information from market participants, stakeholders and public authorities. On 22-23 November 2007, Council called for "an efficient and effective Internal Market, ensuring a level-playing field among enterprises across the EU to encourage, in particular SMEs, to engage more in cross-border activities", and on 29 January 2008, EU leaders calling for more transparency. The Commission must strike the right balance in all these matters to safeguard the European public interest and, in regard to simplification, we are concerned that this might not be the case.

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Notes for Editors:

The Fédération des Experts Comptables Européens (FEE) is the representative organisation for the accountancy profession in Europe. FEE's membership consists of 43 professional institutes of accountants from 32 countries. FEE member bodies are present in all 27 member states of the European Union and three member countries of EFTA. FEE member bodies represent more than 500,000 accountants in Europe.