



2020 ANNUAL REPORT

ACCOUNTANCY
EUROPE.



OUR
MEMBERS.



CELEBRATING SUCCESS IN CHALLENGING TIMES



Florin Toma, President and Myles Thompson, Deputy President

REFLECTIONS

In our last annual report, we referred to 2019 as a year of change. Little did we know what was coming. While we are still in the sphere of the unknown and hoping for better days to come, it is inevitable to say that 2020 is a year that we all would like to forget. Nevertheless, Accountancy Europe has proven to be productive and up to the challenge. Turning all meetings into virtual, trying to find new ways to work and engage with our membership, the Accountancy Europe Team continued advancing our priorities. Thanks to the dedication of our Team and Expert Group volunteers, this year we issued 28 publications, replied to 36 public consultations and organised 137 Expert Group meetings. This allowed us to share our expertise and influence the EU legislative agenda on: non-financial reporting and assurance, audit, corporate governance, technology, anti-money laundering, SMEs (small and medium sized enterprises), and much more. I am very happy to conclude that despite 2020's difficulties, the European accountancy profession has continued enhancing its relevance towards the EU and international stakeholders. I am confident that I am passing the torch of the Presidency to very trustworthy hands.

Florin Toma

Accountancy Europe President 2019 -2020

I am looking forward to continuing the great work achieved on behalf of Accountancy Europe in 2021-2022. I trust that we will keep up the good progress on the most prominent files for the profession. 2021 is expected to be a year of legislative change. I can confidently say that we are ready and in the best position to share our expertise with the EU institutions and ensure that the membership is prepared to embrace change. It is my personal goal that together with our membership, we ensure the accountancy profession is a profession of the future and one that remains indispensable to the ongoing needs of society.

Myles Thompson

Accountancy Europe Deputy-President 2019-2020

2020

THE YEAR IN NUMBERS

18 

events & webinars

28 

publications

36 

consultation responses

34 

blogs, articles & podcasts

MEMBERS

17

editions of Members' News & The Insider

13

Board meetings

4

Members' Assemblies

7

exclusive webinars

809

Expert Group participants

137

Expert Group meetings

ACCOUNTANCY EUROPE.

EVENTS

7

joint initiatives

714

participants

62

speakers

12

partner organisations

COMMUNICATIONS

30

speaking engagements

188

interactions with the media

16%

increase in Twitter followers

49%

increase in LinkedIn followers

62%

increase in website visits

PUBLIC AFFAIRS

85

meetings with industry & other stakeholders

44

meetings with EU representatives

49

Policy updates



ACTIVITIES

INTRODUCTION

The Members' Assembly debates the priorities that guide our work and approves the strategy of the organisation every two years. For 2019-2020, our strategic priorities related to: sustainable finance, SMEs, corporate reporting, audit & assurance and tax. Having a unified European voice on these topics helps advance and strengthen the accountancy profession in Europe. The priorities' impact is reinforced by four supporting programmes (business integrity, financial services, public sector and professional practice & ethics) and two horizontal actions (technology and young professionals).

Enhancing the profession's relevance and reputation is the main way we serve our Members. This takes many forms: consultation responses, publications (position papers, factsheets), thought leadership (known as our Cogito series), direct engagement with stakeholders, communications pieces (blogs, policy updates, podcasts), or organisation of events. These projects result from the collaboration between the Board, Expert Groups composed of Member volunteers, and the Team.



SUSTAINABLE FINANCE

Accountants, auditors and advisors are strategic partners to help companies' transition towards a more sustainable economy. Accountancy Europe has managed to make the accountancy profession a significant and trusted partner of the European Commission (EC) on its sustainable finance agenda. This year we worked on topics including the EC's sustainable finance strategy, the Non-Financial Reporting Directive (NFRD), sustainable corporate governance, green bonds and taxonomy.

In addition to responding to consultations, we engaged directly with MEPs (Members of European Parliament) and European representatives on these topics. Notably, we organised an exchange of views with two MEPs on sustainable corporate governance, which is increasingly prominent in the EU legislative agenda. We also organised a policy debate on environmental accounting in the European Parliament, hosted by MEP Sirpa Pietikäinen (EPP/Finland). This topic is part of the EU's Green Deal and with this, we solidify the profession's role as a partner to achieve this ambitious climate strategy.

We took several actions regarding the revision of the NFRD. We first issued a factsheet on the transposition of the NFRD's requirements regarding the role of the auditor and the assurance provider. To supplement our response to the EC's consultation on the NFRD revision, we issued a position paper outlining three conditions to provide high-quality and consistent non-financial information (NFI) assurance and organised a webinar to exchange on this topic with other stakeholders.



We started to co-chair an informal advocacy group on sustainable finance which issued a joint statement on the revision of the NFRD. Our co-signatories included ShareAction, WWF, European Fund and Asset Management Association, and the Climate Disclosure Standards Board.

SMES

Accountancy Europe encourages policies that position SMEs as the engine of the European economy. Our SME strategy highlights how SME accountants can address SMEs' evolving needs. Access to finance, skill development and cashflow continue to be among their major issues. Digitalisation and the transition to a greener economy also pose new challenges and opportunities.

The vital importance of SMEs is recognised by the EC and many stakeholders in Brussels, which creates opportunities to collaborate. For example, the European Intellectual Property Office (EUIPO) has started working with us to promote the benefits of intellectual property (IP) registration to SMEs via our Member Bodies. We were also invited to join European stakeholder networks working on NFI for SMEs as well as on early warning and insolvency for SMEs. Together with ACCA, the European Federation for Accountants and Auditors and SME United we issued a joint

statement addressed to EU and national policy makers on improving SME access to COVID-19 recovery funding.

We issued two publications as part of our SME risk management series, on sustainability and on insolvency, where we explore how accountants can develop a robust SME risk management culture in these areas. On SME audit, we sent a formal letter to the IAASB calling for clear progress on their project to draft a standard for auditing less complex entities.

The EC tax department reached out to Accountancy Europe to invite SME accountants and SMEs to a workshop on the common EU framework for co-operative compliance for SMEs. This was an opportunity for us to directly inform the EC's work and demonstrate our relevance to the SME agenda.

SME initiatives

8
publications

6
consultation
response

4
events

6
articles &
podcasts

SME accountants
1 in 3 practitioners in
our Expert Groups and
Board come from SMEs




**CORPORATE
REPORTING**

Corporate reporting refers to both financial and non-financial reporting of all entities. Our work aims to address markets' and society's demands for more relevant and transparent information.

In 2019 we issued the Cogito paper *Interconnected standard setting for corporate reporting* calling for a harmonised NFI reporting framework and connecting financial and non-financial reporting. Shortly after, the EC announced that it would develop relevant EU standards through the European Financial Reporting Advisory Group (EFRAG), putting us at the centre of the debate. We held a joint roundtable with Eumedion to promote the project and issued a follow-up paper summarising the feedback received from 41 stakeholders.

We supported the CDP, Climate Disclosure Standards Board, Global Reporting Initiative, International Integrated Reporting Council (IIRC), and Sustainability Accounting Standards Board announcement that they would work together towards a comprehensive corporate reporting system, echoing many ideas from our Cogito paper. Our publication was also referenced in the International Financial Reporting Standards (IFRS) consultation paper on sustainability reporting. We organised a members' only webinar with the International Federation of Accountants to exchange views on this IFRS consultation, which helped inform our response.

In addition to closely following EFRAG's work, we are directly involved in the EFRAG European Lab, of which our Deputy-Chief Executive Hilde Blomme is a member. We contributed to three workstreams of the EFRAG European Lab Project Task Force on EU non-financial reporting standards, where we are represented by Eric Duvaud. We also contributed to the ad-personam mandate of the EFRAG Board President Jean-Paul Gauzès on NFI reporting standard-setting, and commented on his proposals for the governance and funding of EFRAG.

At international level, we provided feedback to the IIRC consultation draft on the <IR> Framework revision. We also responded to the IASB Exposure Draft *General Presentation and Disclosures* (Primary Financial Statements).

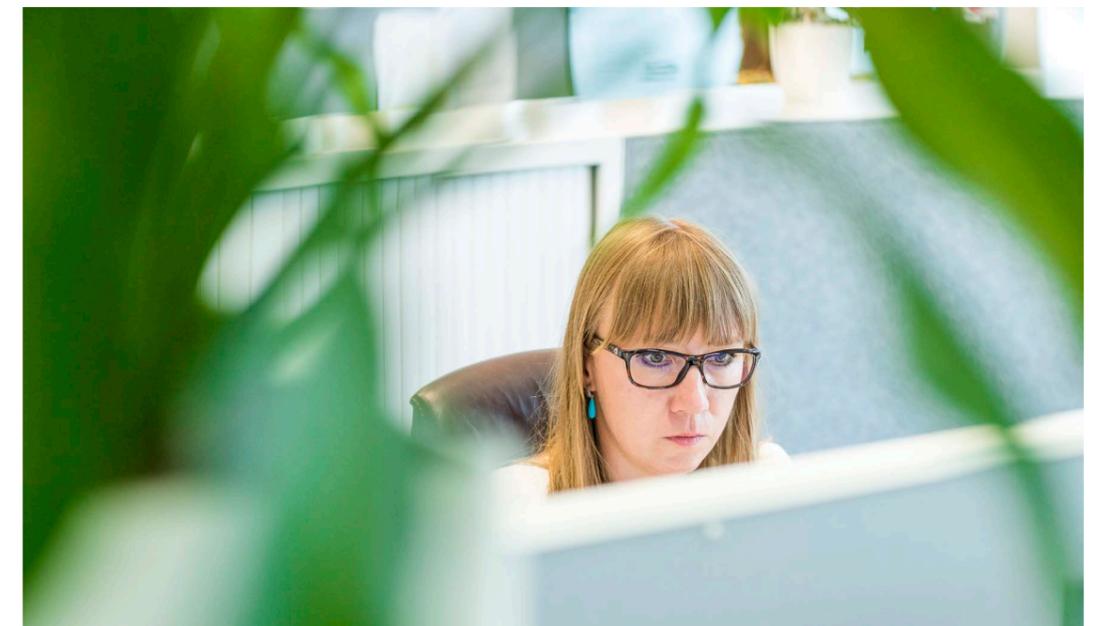

**AUDIT &
ASSURANCE**

Auditors add credibility to organisations' financial statements. They also provide other forms of independent assurance, such as on regulatory reporting, NFI, internal controls and risk management systems. The regulatory changes, new challenges and continued scrutiny of the audit sector across Europe greatly impact our Members.

We built the case for NFI assurance over 2020 with several projects related to the NFRD revision (see sustainable finance section). We responded to the IAASB's consultations on Extended External Reporting assurance and ISA 600. Drawing on interviews with 18 people from practice, we issued a paper on how multidisciplinary audit teams contribute to high-quality audits.

ESEF (European Single Electronic Format) implementation is currently of strategic importance for the European accountancy profession. Speakers from DG FISMA, European Securities and Markets Authority (ESMA), Committee of European Auditing Oversight Bodies and European Contact Group (ECG) provided useful perspectives and practical information on ESEF reporting and assurance at a Members' only webinar. To help our members stay informed, we collect resources on a dedicated ESEF webpage.

This year we also updated major surveys on: the profession's organisation, audit exemption thresholds, organisation of public oversight, and the implementation of the 2014 EU Audit Directive and Regulation.



TAX

The accountancy profession plays a vital role in keeping tax systems functioning and making them sustainable in the future. We are active in the tax debate to enhance the profession's reputation externally, and to help the profession reflect on its own role and responsibility. In 2020, we continued interacting with key stakeholders and provided independent expertise in several EC Expert Groups, including the Platform for Good Tax Governance.

120 participants attended our Tax Day to discuss today's main tax challenges. Speakers examined the role of ethics in tax, tax transparency and cooperative compliance. We continued dialogue with experts in our podcasts, covering topics such as improving tax systems and how new technology can incorporate sustainability.

Climate change is a policy priority for the EC and taxation can play a big role in changing individual and business behaviour. We responded to the EC first 'green tax' consultation, as well as on the Carbon Border Adjustment Mechanism. We also responded to the OECD's consultation regarding a review of Country-by-Country Reporting of tax data to tax authorities. Together with CFE Tax Advisers Europe, we issued a joint statement calling for a better relationship between taxpayers and tax authorities.

To help our members navigate Brexit, we highlighted the significant changes to import/export procedures and VAT accounting in our publication *Brexit, VAT and customs duty - prepare now*. This publication was exceptionally well received and became our most popular publication of 2020.



Xavier Oberson, Femke Groothius, Walter Stahel, Tax Day 2020

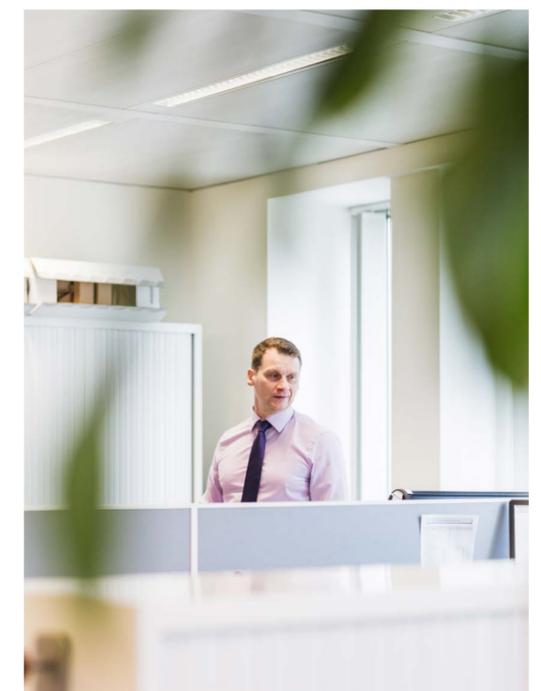
OTHER AREAS OF WORK

As well as being a key element in the new EC agenda, **technology** has a significant impact on the accountancy profession. We contributed to the EC consultation on a new digital finance strategy for Europe (FinTech action plan) and the EC's proposals to include statutory auditors and audit firms in the scope of entities required to comply with the Digital Operational Resilience Act (aka DORA).

Professional ethics are the bedrock of the accountancy profession. Ethical behaviour in business is fundamental for public trust and confidence. We integrate ethics in our work and contribute to global standard setting. We responded to three important IESBA public consultations and issued a podcast with its board member, Brian Friedrich.

Financial services is an area where we also continue to be active. We contributed to the EUIPO Task Force's report with recommendations to shape the EC's work on the Capital Markets Union (CMU). We closely followed the developments in amending IFRS 17 *Insurance contracts*. In addition, two representatives from our Insurance Working Party presented on the auditability of IFRS 17 to an EFRAG meeting.

Anti-money laundering (AML) is an important priority for the EU. As part of our enhanced AML strategy, throughout the year we engaged with policymakers and stakeholders on how the profession contributes to fight financial crime and money laundering. We responded to the EC consultation on its AML action plan and organised a joint webinar on this with the ECG and Transparency International. We also provided general input to the EC on its 2019 Supranational Risk Assessment in view of the next assessment to be carried out in 2021.



CORONAVIRUS

The pandemic had a substantial impact on our work this year. We unexpectedly adapted some of our priorities to deliver relevant and timely resources for stakeholders, our members and the profession at large.

We created 2 online information hubs and issued various coronavirus-related pieces: 6 podcasts, 2 blogs, and 8 publications on the topic. In addition, several stakeholders invited us to speak on the topic. We also hosted three exclusive webinars where our Member Bodies exchanged on challenges stemming from the pandemic and share experiences.

In *Coronacrisis: Lessons for a more sustainable future*, we looked at how accountants can help governments and businesses in a changed world. We issued publications on the implications to reporting and auditing and country responses to the crisis. The enormous impact on the public sector was highlighted in a paper covering both short and long-term considerations. We also laid out 5 key steps for SME accountants to help their SME clients navigate the crisis, and 15 recommendations for governments to help SMEs.

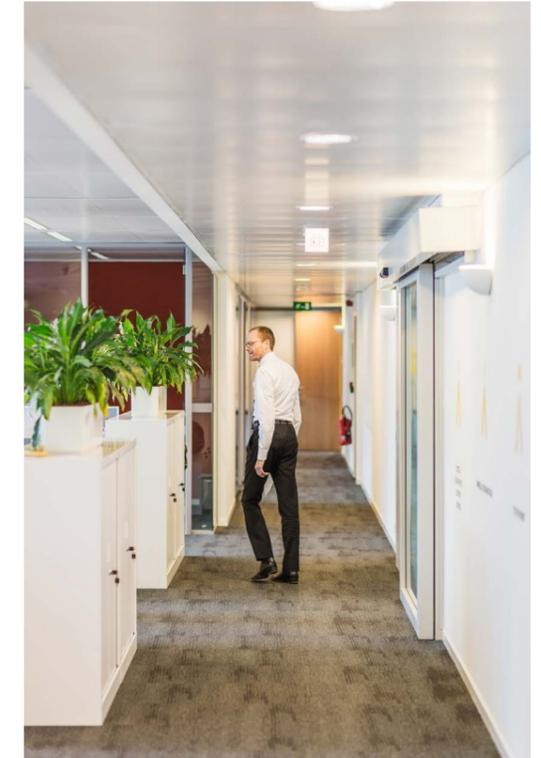
Together with the Federation of European Securities Exchanges, CFA Institute and the European Bank for Reconstruction and Development, we organised a webinar to discuss the role of European capital markets in COVID economic recovery. At the webinar, a joint statement was also presented. Our special podcast series *Update from the frontline* covered the impact that the pandemic is having on reporting and auditing, how accountants can help SMEs, and how the profession can support the public sector.



EXPERT NETWORKS

Accountancy Europe serves as a platform for Member Bodies to learn from each other, share experiences and best practices. Our four Expert Networks serve this purpose. These are informal and flexible groups to share new ideas, contribute to strategically important topics, and emphasise the profession's positive contributions. Our Members' communications leaders, for example, meet annually and via webinars in the Communications Network.

- SME
- Technology
- Young professionals
- Communications



POLICY UPDATES

Most of the regulations that affect the accountancy profession are decided at European level. Through our five monthly policy updates, our Team's experts share intelligence to keep our Members and stakeholders informed on the latest European and international developments.

- Audit
- SME
- Sustainability
- Tax
- Technology

ABOUT US

OUR 51 MEMBERS ARE AT THE CORE OF ACCOUNTANCY EUROPE'S WORK.

Our Member Bodies send experts from across Europe to the Expert Groups that contribute to our projects. Together, our Members also form our highest governance body: the Members' Assembly. The Members' Assembly provides high level guidance to our Board on strategy; it also appoints and supervises the Board.

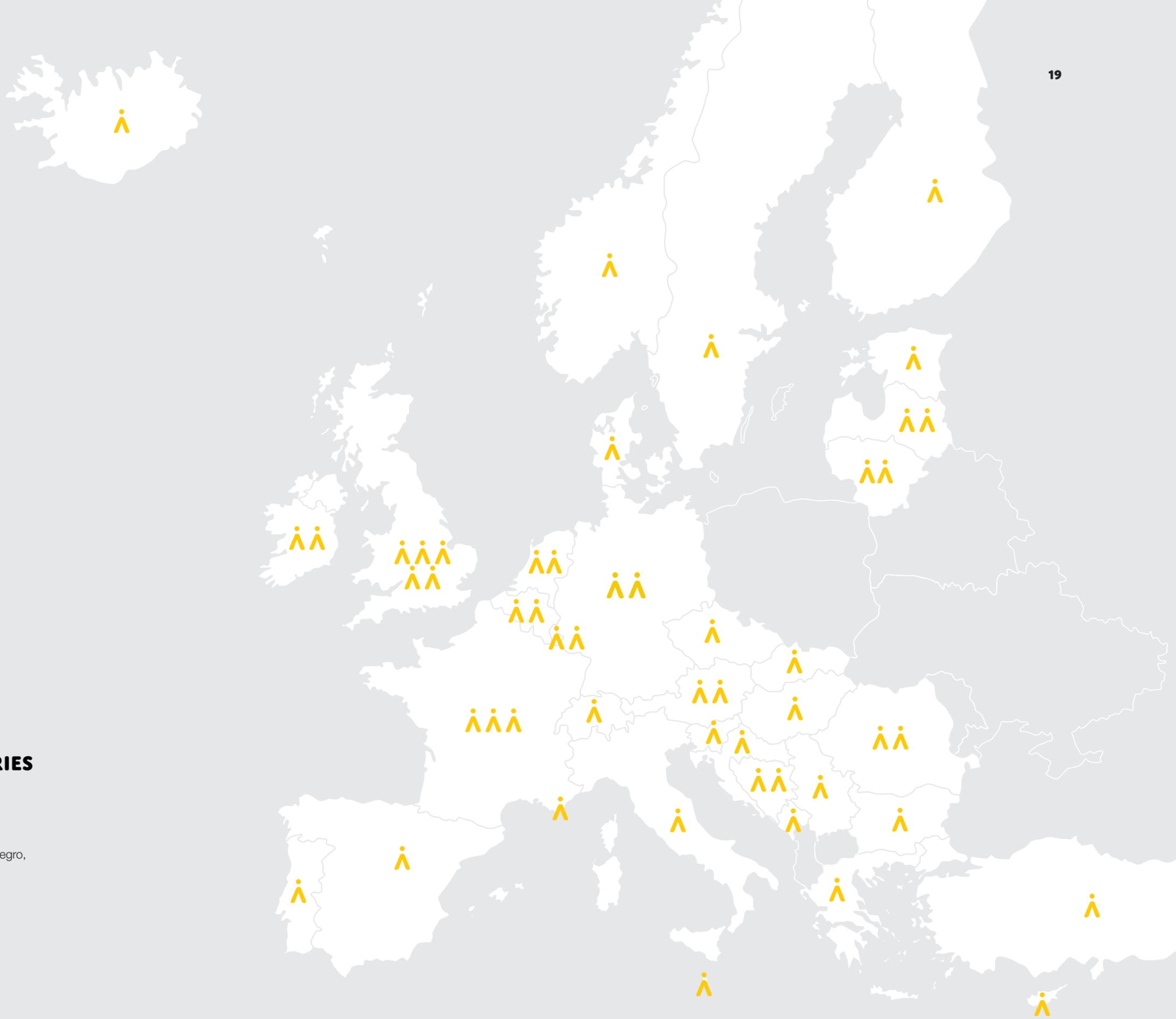
Each year we endeavour to make our Members' Assembly meetings dynamic and engaging. 2020 posed a particular challenge as all our meetings took place online. However, we stayed connected with Members through 7 exclusive webinars focusing on timely technical matters as well as the Coronavirus pandemic.

OUR MEMBERS.

51 MEMBERS FROM 35 COUNTRIES

Accountancy Europe unites

- 46 full members
- 5 associate Members from Croatia, Estonia, Montenegro, Serbia and Latvia



AUSTRIA

Institute of Austrian Certified Public Accountants
www.iwp.or.at
Austrian Chamber of Tax Advisors and Accountants
www.ksw.or.at

BELGIUM

Institute for Tax Advisors and Accountants
www.itaa.be
Institute of Registered Auditors
www.ibr-ire.be

BOSNIA HERZEGOVINA

Association of Accountants and Auditors of the Republic of Srpska
www.srrrs.org
Union of Accountants, Auditors and Financial Workers of the Federation of Bosnia and Herzegovina
www.srr-fbih.org

BULGARIA

Institute of Certified Public Accountants
www.ides.bg

CROATIA

Croatian Audit Chamber •
www.revizorska-komora.hr

CYPRUS

Institute of Certified Public Accountants of Cyprus
www.icpac.org.cy

CZECH REPUBLIC

Chamber of Auditors of the Czech Republic
www.kacr.cz

DENMARK

FSR - Danish Auditors
www.fsr.dk

ESTONIA

Estonian Auditors' Association •
www.auditorkogu.ee

FINLAND

Finnish Association of Authorised Public Accountants
www.suomentilintarkastajat.fi

FRANCE

Institute of Statutory Auditors
www.cncc.fr
The French National Institute of Accountants and Auditors
www.ifec.fr
The Order of Certified Accountants
www.experts-comptables.org

GERMANY

Institute of Public Auditors in Germany
www.idw.de
Chambers of Public Accountants
www.wpk.de

GREECE

Institute of Certified Public Accountants of Greece
www.soel.gr

HUNGARY

Chamber of Hungarian Auditors
www.mkvk.hu

ICELAND

Institute of State Authorised Public Accountants in Iceland
www.fle.is

IRELAND

Chartered Accountants Ireland
www.charteredaccountants.ie
Institute of Certified Public Accountants in Ireland
www.cpaireland.ie

ITALY

National Board of Professional Chartered Accountants
www.commercialisti.it

LATVIA

Association of Accountants of the Republic of Latvia •
www.lrga.lv
Latvian Association of Certified Auditors
www.lzra.lv

LITHUANIA

Lithuanian Chamber of Auditors
www.lar.lt
Lithuanian Association of Accountants and Auditors
www.lbaa.lt

LUXEMBOURG

Institute of Registered Auditors
www.ire.lu
Order of Chartered Accountants
www.oec.lu

MALTA

The Malta Institute of Accountants
www.miamalta.org

MONACO

Chamber of Chartered Accountants of Principality of Monaco
www.oecm.mc

MONTENEGRO

Institute of Certified Accountants of Montenegro •
www.isrcg.org

NETHERLANDS

The Royal Netherlands Institute of Chartered Accountants
www.nba.nl
Association of Register Controllers
www.vrc.nl

NORWAY

The Norwegian Institute of Public Accountants
www.revisorforeningen.no

PORTUGAL

Institute of Statutory Auditors
www.oroc.pt

ROMANIA

Chamber of Financial Auditors of Romania
www.cafr.ro
The Body of Expert and Licensed Accountants of Romania
www.ceccar.ro

SERBIA

Serbian Association of Accountants and Auditors •
www.srrs.rs

SLOVAK REPUBLIC

Slovak Chamber of Auditors
www.skau.sk

SLOVENIA

Slovenian Institute of Auditors
www.si-revizija.si

SPAIN

Institute of Chartered Accountants of Spain
www.icjce.es

SWEDEN

FAR
www.far.se

SWITZERLAND

EXPERTSuisse
www.expertsuisse.ch

TURKEY

Union of Chambers of Certified Public Accountants of Turkey
www.turmob.org.tr

UNITED KINGDOM

Association of Chartered Certified Accountants
www.accaglobal.com
Chartered Institute of Management Accountants
www.cimaglobal.com
The Chartered Institute of Public Finance and Accountancy
www.cipfa.org
Institute of Chartered Accountants in England and Wales
www.icaew.com
Institute of Chartered Accountants of Scotland
www.icas.org.uk

• associate member

EXTERNAL EXPERT GROUPS

Accountancy Europe regularly gets invited to participate in external Expert Groups where we contribute to policymaking and standard setting at both European and international levels. This is yet another way through which we transfer the daily practice of our Members into input for future policies and regulations.

External Expert Groups we have worked with

Early Warning Network EU
EC EPSAS Working Group
EC Platform for Tax Good Governance
EC VAT Expert Group
EC VAT Forum
ECB Subgroup of the Working group on euro risk-free rates
EFRAG Board
EFRAG European Reporting Lab Steering Group
ESMA Consultative Working Group of Corporate Finance Standing Committee
ESMA Consultative Working Group of Corporate Reporting Standing Committee
GRI Tax Technical Committee
IAASB Consultative Advisory Group
IASB Management Commentary Advisory Group
IESBA Consultative Advisory Group
IPSASB Consultative Advisory Group

BECAUSE
PEOPLE
COUNT.

WE ARE ACCOUNTANCY EUROPE.

EXPERT GROUPS

Composed of practitioners who have area-specific knowledge and skills, Expert Groups are at the heart of Accountancy Europe's daily work. They act as a sounding board and source of expertise. Each group is led by a Chair. Our four main groups also have one or more Vice-Chairs.

MEET OUR EXPERT GROUP CHAIRS



Christian Orth
Auditing & Assurance
Policy Group



Mark Vaessen
Corporate Reporting
Policy Group



Wim Bartels
Sustainable Finance
Group



Eelco van der Enden
Tax Policy Group

VICE-CHAIRS

- Kai Morten Hagen
- David Herbinet
- David Isherwood
- Nicolas Pfeuty
- Willem Geijtenbeek
- Jan-Menko Grummer
- Rami Feghali
- Luca Bosco
- Roberta Poza



Olivier Schérer
Accounting Working Party
IFRS 9 Task Force



Angela Foyle
Anti-Money Laundering
Working Party



Burkhard Eckes
Banks Working Party



Julien Rivals
ESG Assurance
Task Force



Chiara Mio
ESG Reporting Task
Force



David Isherwood
IAASB & PCAOB
Working Party



Paolo Ratti
Insurance Working Party



Piet Hemschoote
Joint ACE ECG EGIAN
CMU Group



Michael Niehues
Professional Ethics and
Competences Working
Party



**Thomas Müller-
Marqués Berger**
Public Sector Group



Ralph Korf
VAT Task Force

BOARD

Based on our strategy, the Board supervises and guides our work. The Board acts in the collective interest of Accountancy Europe and of the whole European profession, independently from any national or sectoral interest. The Board has 12 members, including two executive members, from 10 countries and is chaired by the President. The President represents Accountancy Europe for a two-year term.



Florin Toma
President



Myles Thompson
Deputy-President



Mireille Berthelot
Vice-President



Christine Cloquet
Vice-President



Jorge Herreros
Vice-President



Jens Poll
Vice-President



Gerhard Prachner
Vice-President & Treasurer



Nina Rafen
Vice-President



Alessandro Solidoro
Vice-President



Mark Vaessen
Vice-President



Olivier Boutellis-Taft
Chief Executive



Hilde Blomme
Deputy Chief Executive

FINANCIALS 2020

Accountancy Europe's annual statutory accounts are audited and prepared in accordance with the requirements of Belgian legislation.

You may consult the annual accounts of Accountancy Europe on the National Bank of Belgium's website: <https://cri.nbb.be/bc9/>.

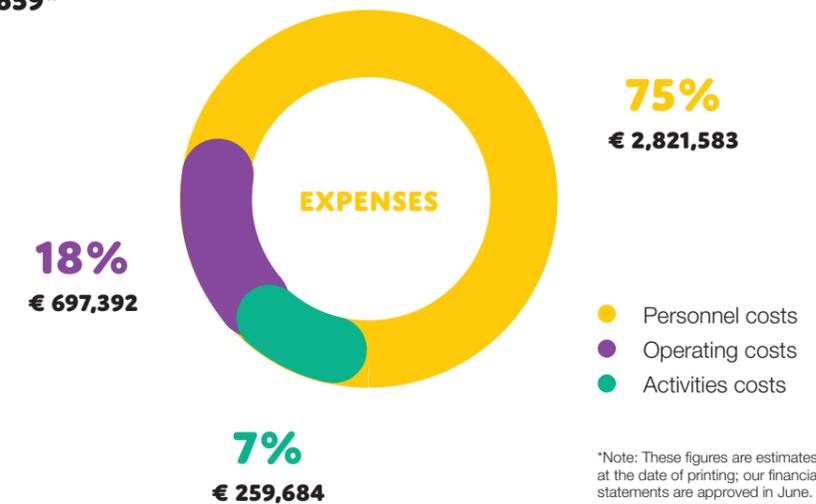


Gerhard Prachner, Accountancy Europe Vice-President & Treasurer

INCOME
€ 4,301,000

Accountancy Europe is 100% funded by Members' contributions

EXPENSES
€ 3,778,659*



*Note: These figures are estimates at the date of printing; our financial statements are approved in June.

TEAM

Our Team executes the strategy set by the Board. It manages projects and steers the work of the Expert Groups in cooperation with their Chairs and Vice-Chairs.

Consisting of 22 people with diverse nationalities and professional backgrounds based in Brussels, the Team is led by the Chief Executive who manages and represents Accountancy Europe.



Yasna Adel
Project Officer



Johan Barros
Manager



Jona Basha
Manager



Elysia Blake
Manager



Sabine Leurart
Office Manager, Financial



Christopher Lits
Intern



Nha Vy Nguyen
Senior Advisor



Ilayda Nijhar
Intern



Júlia Bodnárová
Senior Advisor



Laura Buijs
Head of Communications



Andrea Campbell
Manager



Iryna de Smedt
Advisor



Andrea Occhionero
Intern



Vita Ramanauskaitė
Senior Advisor



Ben Renier
Senior Manager



Noémi Robert
Director



Valeria Fella
Executive Assistant



Paul Gisby
Senior Manager



Eleni Kanelli
Head of Advocacy



Nella Koivisto
Junior Advisor



Harun Saki
Manager



Adriana Tyszkiewicz
Events Officer

STAY IN TOUCH

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@AccountancyEU

@AccountancySME

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www.accountanceurope.eu

Monthly e-newsletter

Audit Updates

SME Updates

Sustainability Updates

Tax Policy Updates

Technology Updates



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DISCLAIMER

The report was prepared by the Accountancy Europe Team and finalised on 16 March 2021. This report is not meant to be exhaustive and only outlines key points to help the reader understand our main activities carried out over the last year.