



FÉDÉRATION DES EXPERTS COMPTABLES EUROPÉENS
EUROPEAN FEDERATION OF ACCOUNTANTS



Annual Report 2006



Audiitorkogu



Representing the Accountancy Profession in Europe



Fédération des Experts Comptables Européens European Federation of Accountants

FEE is the representative organisation for the accountancy profession in Europe. Its membership consists of 44 institutes of professional accountants from 32 countries. This includes all 27 Member States of the European Union and three members of EFTA and comprises more than 500,000 accountants.



**FÉDÉRATION DES EXPERTS COMPTABLES EUROPÉENS
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FOREWORD OF THE PRESIDENT



**Jacques Potdevin,
FEE President**

2006 has been extraordinarily busy – and 2007 will be equally busy. This is no surprise since we now have to implement the deluge of new legislation of the past years. Reading this report you will see that, in order to best serve the interest of all our Member Bodies, FEE has been working on a growing number of issues and the Working Parties have been operating to ever tighter deadlines to provide regulators and standard setters with substantial and well articulated input on key issues.

We must also recognise the growing interest and scrutiny of politicians and policy makers, as well as the public at large, in the wide range of activities of the profession, and their relevance for society as a whole. This presents not only a challenge but also an opportunity: FEE is best placed within the European profession to seize this opportunity and enhance our contribution to the public interest.

It is not only the extent of our engagement that is remarkable: it is also the experience and the knowledge that each of our Member Bodies dedicates to FEE's Working Parties and the expertise and the commitment of our team in Brussels. However, our technical analysis must be enhanced by our communication strategy. Our messages must not only be technically sound and accurate, they must reach their recipients in due time and must be clear to them – or they will be lost.

FEE has been especially successful this year in organising a series of important public events contributing to enhancing its visibility. In particular, the three initiatives which stand out are the SME Congress in Versailles, "Growing business in a changing global environment", organised in cooperation with the French Member Bodies OEC and CNCC and their regional bodies and AMA (Arc Méditerranéen des Auditeurs), the Joint European Commission/FEE Conference on "Modernising

Accounting in the Public Sector: Exchange and Experience" which attracted more than 350 participants to discuss the implementation of accrual accounting and reporting and the autumn high level conference on Audit Regulation.

2006 was also an exceptional year for FEE publications. These included influential reports such as *Quality Assurance Arrangements across Europe*, *Financial Reporting: Convergence, Equivalence and Mutual Recognition*, *Accrual Accounting for More Effective Public Policy* and *Key Issues in Sustainability Assurance – An Overview*. This Annual Report not only provides more details on these major papers but also gives an overview of the breadth and scope of the overall output of FEE Working Parties for this year. Beyond publications and events, FEE interacts with a growing number of stakeholders and this is perhaps an even greater sign of its increased influence and recognition.

Turning to our priorities for the year ahead, the implementation of the Statutory Audit Directive is, of course, top of the list. We all know from our daily practice that it is implementation that matters most in the end. This is why FEE is investing considerable resources in monitoring, analysing and commenting on the implementation process and its coordination across the different Member States that will shape the future regulatory framework of the profession. A significant amount of time is also being dedicated to analysing and commenting on the International Standards on Auditing in the context of the Clarity Project of the IAASB. I should outline here that this would not be possible without the help of a number of Member Bodies who have kindly agreed to second expert staff to FEE in order to help manage this increased workload. This is another illustration of the values of our profession: next to integrity and quality, I am proud to see that solidarity is a prominent feature.

Key to the development of our profession, ethics is and must remain at the very top of our agenda. In 2006, the Working Party published an important survey on the implementation of the EU Recommendation on Independence and contributed to the debates of the International Ethics Standards Board for Accountants (IESBA). FEE will continue to express its strong support for a principles-based approach to standard setting in ethics. Developments in the public sector also make this area increasingly relevant to the profession.

FEE also has to continue and enhance its work in the area of financial reporting, in particular regarding the consistent application of IFRS in Europe and on convergence with other

frameworks. We also remain fully committed to EFRAG. In this respect, FEE Member Bodies deserve praise for having agreed to significantly increase their indirect contribution to EFRAG.

The action plan for 2007 is wide-ranging and includes many more areas such as the recognition of professional qualifications, auditors' liability, issues surrounding choice in the audit market, company law and corporate governance, taxation, sustainability and ethics. We also have to consider being more proactive in areas where the profession can contribute to the public interest such as in combating fraud and money laundering.

The fact that so many professional accountants are serving SMEs, which represent 95% of all enterprises in Europe, provides clear justification of the need to dedicate more attention to the specific needs of SMEs. This is essential for the EU economy and thus for the profession.

To fulfil our public interest role in this area, we have to reflect on how we can best serve this market and its specific needs, in particular in terms of financial reporting. It is important to avoid approaching the subject solely from the perspective of the size of entity: of greatest relevance are the needs of users, for instance, managers, creditors, vendors, employees, to name just a few. In this perspective, as IFRS are clearly perceived as focused on the needs of large listed companies and other public interest entities, one may wonder whether a name such as "IFRS for SMEs" sends the right message. In any event, it is also necessary to ensure convergence at the level of the principles and enable an entity to move on as easily as possible from one set of standards to the other. We have to consider engaging more with other stakeholders to discuss the best ways for the profession to help SMEs, for instance, in areas such as business transfer and access to finance, in particular venture capital and specialist listing markets for smaller entities.

Since the end of 2006, discussions have started as to how accounting and auditing could contribute to the objectives of the European Commission to simplify and reduce administrative burdens. These are laudable objectives in particular for SMEs. On account of its daily involvement with SMEs, the profession is well placed to provide practical input to these discussions and help identify real administrative burdens that impact on growth and jobs. Accounting and auditing are sometimes categorized as "burdens" or "costs" without adequate reference to the added value they provide to a wide range of stakeholders, including managers, bankers, creditors and public administrations. We will engage actively in the simplification debate as a lack of understanding of the role of accounting and auditing could lead to damaging outcomes for the economy and the public interest as a whole.

We all agree that there is indeed a need for simplification. From a regulatory perspective, a great deal could be achieved by encouraging further European harmonisation, which is an impetus for the Internal Market. Limiting regulatory inflation is another key necessity; we also have an opportunity to lead by example here. In all legislative and standard setting areas of relevance to the profession, practitioners and their clients need a pause to digest the amount of change. Otherwise there is a real possibility of increasing risks rather than mitigating them. Not complicating things in first instance seems a reasonable and efficient roadmap to true simplification.

Thanks to the work of my predecessors, and in particular the outstanding presidency of David Devlin, FEE is well positioned to respond to these important challenges. I would also like to thank the FEE Team in Brussels: with Henri Olivier, Saskia Slomp and Hilde Blomme, and now Olivier Boutellis-Taft, with all the project managers and the extraordinarily supportive team of assistants, FEE is well equipped to continue helping the profession serve the public interest.

MESSAGE OF THE CHIEF EXECUTIVE



Olivier Boutellis-Taft
Chief Executive

Having joined FEE at the end of last year, I can already conclude that all the many volunteers in the Working Parties, as well as the whole team in the Brussels secretariat, inspired by the Secretary General Henri Olivier, are to be congratulated for the excellent achievements in 2006. Much has been accomplished in terms of technical output, especially by our two outstanding Directors, Saskia Slomp and Hilde Blomme, but also in terms of extending the standing and influence of FEE during one of the most intense periods of regulatory activity in the history of the profession.

With the implementation of the Statutory Audit Directive and the need to respond to regulators and international standards setters in financial reporting, auditing and ethics, 2007 will be another important year with a challenging and busy agenda for the profession in a rapidly changing world. FEE is fortunately endowed with the skills and energy necessary to respond to these challenges.

The breadth and scope of the issues the profession currently has to address is such that, without the support of our Member Bodies, the strain on our resources would become critical. In particular, those who have agreed to second staff to FEE must be thanked as their commitment benefits the whole profession throughout Europe. But this investment they make in FEE also offers important returns in terms of technical development, thought leadership and networking that is an encouragement for others to also support such efforts.

We also have to constantly review our organisation and operations not only to keep pace with a changing world but also

to play our role in driving change for the better. As Commissioner McCreevy declared at the FEE Conference on Audit Regulation, "Auditing is not just any industry, but one that plays a pivotal role in our capital markets"¹. History tells us that there will be no sustainable capital markets without the accountancy profession acting as the guardian of transparency, accountability and public trust. The role of professional accountants as entrepreneurship-enablers advising small and medium sized entrepreneurs is critical to a thriving European economy. Similarly, professional accountants have a key role to play in the pursuit of environmental and social objectives by providing appropriate reporting and independent assurance on the contribution of business to these goals, which appear ever more vital today.

However to succeed on all these fronts, the profession has to translate its deep technical knowledge into comprehensible and convincing messages for policymakers and other stakeholders. The relevance of the profession not only depends on its technical expertise and the professional services it provides: it also depends on the ability to communicate the public interest role of the profession. Indeed, it is essential for this role to be clearly understood by business, regulators, policymakers, investors and the broader public: what we say must first make sense to them.

Against this backdrop, FEE decided to recruit a CEO to assist Council in achieving its strategy, support the FEE President, increase our communications and adapt our organisation. In undertaking the role, I am committed to ensuring close liaison between FEE and its Member Bodies – that is to say the source of expertise and practical knowledge of the actual impact of regulatory and market practices for the profession. A European Federation is pointless if it is not deeply rooted in the practical realities experienced in the Member States: FEE is the home of small and big countries – small and big firms, accountants and auditors, who all strive to deliver on their common public interest missions. I feel fortunate to have started this exciting role under the leadership of former President David Devlin and President Jacques Potdevin and to benefit from their full support. Their different personalities and background shows how the profession is 'united in diversity' and committed to delivering a wide range of services to an even larger array of clients with due consideration for professional values and the public interest.

¹ Charlie McCREEVY, European Commissioner for Internal Market and Services, "EU audit regulation and international cooperation", speech at the FEE Conference, Brussels, 12 October 2006.

FINANCIAL STATEMENTS

Income and Expenditures for the year ended 31/12/2006

| ACTIVITIES | 2006 | 2005 |
|---|------------------|------------------|
| | € | € |
| INCOME | | |
| Member Body contributions | 2.445.910 | 2.183.999 |
| Contributions received on behalf of EFRAG | 300.000 | 300.000 |
| Publications (sales) | 1.254 | 1.642 |
| Royalties and other income | 7.619 | 1.673 |
| Total income | 2.754.783 | 2.487.314 |
| EXPENDITURES | | |
| Personnel costs | 1.625.013 | 1.432.375 |
| Office occupancy | 236.268 | 244.725 |
| Communications | 46.427 | 51.824 |
| Office supplies | 26.654 | 29.112 |
| Office maintenance | 26.439 | 31.598 |
| Library and subscriptions | 6.901 | 9.866 |
| Hospitality | 87.532 | 74.291 |
| Travel and subsistence | 147.206 | 127.939 |
| Contribution to other organisations | 32.079 | 17.700 |
| Contribution to EFRAG | 300.000 | 300.000 |
| Equipment rental and maintenance | 35.060 | 49.096 |
| Publications | 43.049 | 37.267 |
| Other expenses | 92.946 | 102.107 |
| Total cash expenditures | 2.705.574 | 2.507.900 |
| RESULTS FROM ACTIVITIES | 49.209 | -20.586 |
| FINANCIAL RESULTS | 24.404 | 15.114 |
| NON CASH EXPENDITURES | -79.789 | -136.398 |
| DEFICIT OF THE YEAR | -6.176 | -141.870 |

The auditor, TCLM, represented by Mr. Jean-François Cats, delivered an unmodified report on the annual accounts. The full version of the annual accounts and the auditor's report are made available separately to the Member Bodies.

FEE GOVERNANCE

General Assembly

The General Assembly is a biennial meeting of all the members of the Federation. The General Assembly receives a report of the Council presented by the President and the report of the Treasurer. It approves the level of expenditure, elects a President, appoints the auditor and adopts decisions upon any constitutional or other matters referred to it by the Council. On December 7 2006 FEE held its General Assembly in which Jacques Potdevin was elected new FEE President and Hans van Damme Deputy President.

Council

The Federation is administered by a Council which consists of one representative appointed by each country of which at least one professional body is an ordinary member of the Federation. In 2006, the Council met six times.

Executive

The Executive is responsible for the implementation of the decisions taken by the Council as well as for the day-to-day management of the Federation. The Executive held ten meetings and one conference call in 2006.

Working Parties

Council decisions are usually prepared by Working Parties, established to elaborate on specific Council objectives. Some of the Working Parties continue their activities over a long period due to the characteristics of the subject matter and subsequent developments.

All Member Bodies, including correspondent members, have the right to appoint a representative to serve on each Working Party. Approximately 1400 participants attended meetings held at FEE during 2006.

The Executive in 2006

| | |
|--------------------|--------------------------------------|
| David Devlin | President |
| Jacques Potdevin | Deputy President & Treasurer |
| José Maria Bové | Vice-President |
| Hans van Damme | Vice-President |
| Torben Haaning | Vice-President |
| Klaus-Günter Klein | Vice-President |
| Stefano Marchese | Vice-President |
| Andrew Popham | Vice-President (until April 2006) |
| Philip Johnson | Vice-President (from September 2006) |



FEE Executive

From left to right: Henri Olivier, Hans van Damme, Jacques Potdevin, José Maria Bové, Andrew Popham, Klaus-Günter Klein, Stefano Marchese, Torben Haaning and David Devlin

FEE GENERAL ASSEMBLY 2006

New President

The FEE General Assembly took place on the afternoon of 7 December 2006 at the Residence Palace in Brussels. The Assembly elected Mr. Jacques Potdevin as President of the Federation. Mr. Potdevin replaced Mr. David Devlin in the position having served as Deputy President for a two year term and as Treasurer of the Federation for more than six years. The President serves a two-year mandate. Mr. Hans van Damme was elected Deputy President. A new Executive was elected for a concurrent two-year period.

IFAC President

The IFAC President, Mr. Fermín del Valle, addressed the General Assembly. He emphasised that delivering quality throughout the profession is the challenge that IFAC must meet together with its member bodies, regional accountancy organisations, accountants in business and accounting firms. He outlined IFAC's future plans noting that accountants must work together to deliver justified trust in the integrity of business and of markets across the world.

New FEE Members

Two professional institutes of accountants, from Bulgaria and Finland, were formally approved as new ordinary Member Bodies at the General Assembly of 7 December 2006.

The Assembly decided unanimously to admit the Institute of Certified Public Accountants in Bulgaria (IDES) and the Registered Association of Certified HTM-Auditors of Finland (HTM).



Jacques Potdevin,
FEE President



Hans van Damme,
FEE Deputy President



IFAC President, Mr. Fermín del Valle, addressing the General Assembly

AUDIT



Philip Johnson
FEE Vice-President &
Auditing Working Party Chairman

Auditing Working Party

The Working Party addresses key policy issues arising from national, European and global developments in auditing, with a particular interest in harmonisation across Europe. A substantial amount of FEE work in the area of auditing is performed by Subgroups. The Auditing Working Party is involved in the work of these Subgroups by providing direction and comments to and monitoring/supervising/approving of their activities and output.

Philip Johnson replaced Andrew Popham as Chairman in July 2006. Andrew Popham had been Chairman from March 2004 until May 2006.

Audit Legislation

The Working Party welcomed the approval of the Statutory Audit Directive in May 2006. Contributions were made to the Federation's input in areas such as statutory audit and audit reporting, quality assurance systems, auditors' liability, public oversight and the audit of public interest entities. The Working Party is now developing its plans relating to the implementation of the Statutory Audit Directive by Member States.

FEE particularly welcomed the initiative of the European Commission to coordinate the work of national audit regulators through the European Group of Auditors Oversight Bodies (EGAOB). Coordination and, ultimately, harmonisation of oversight activities will serve the public interest and provide a stable platform within which European networks of auditors can work effectively. The Working Party is keen to support the work of the EGAOB both in relation to standards on auditing and in relation to its other responsibilities. FEE has been invited to contribute to the work of EGAOB subgroups, mainly in the field of auditing standards.

Towards Harmonised Auditing Standards

The Statutory Audit Directive provides for ISAs to be adopted by the European Commission under the 'comitology' procedure for secondary regulation. FEE, together with the European audit standard setters, considered alternative structures for the adoption process and discussed their advantages and disadvantages with the European Commission.

Through the Auditing Working Party, FEE is an active participant in discussions relating to the further enhancement of ISAs. Our input is guided by three important principles. Firstly, the standards must contribute to good quality auditing which relies on auditors using their insight and judgement rather than simply following required procedures. Secondly, the standards must allow flexibility in their detailed procedures in order that the same standards can apply to all sizes of audit and in order to encourage innovation. Thirdly, the standards must find an appropriate balance between achieving these two principles and serving the needs of those responsible for monitoring audit quality.

At the end of 2005, FEE was invited by the European Commission to be a member of the ISA Subgroup of the EGAOB. This Subgroup is intended to give advice to the EGAOB and the European Commission on auditing standards, and its initial work has been directed at the Commission's response to the consultation by the International Auditing and Assurance Standards Board (IAASB) in relation to the Clarity Project. The Subgroup has proved to be an invaluable forum for dialogue between the profession, regulators and other interested parties on the future direction of auditing standards.

FEE is also actively involved in direct discussions with the IAASB through the Consultative Advisory Group (CAG), through

**FEE Secretariat
Contact**

Hilde Blomme
Director of
Practice Regulation
hilde.blomme@fee.be

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involvement in the IAASB Clarity Forum in July 2005 and through FEE's further comment letters on the clarity of IAASB standards. FEE considers that the success of the Clarity Project is a condition for the success of the EU policy in favour of global auditing standards and was committed to commenting on all of the Board's consultations.

Conference on Audit Regulation

FEE hosted a high level Conference in Brussels on 12 October 2006, which addressed key issues in audit regulation in the EU. The Conference discussed the views of all relevant stakeholders in the European and transatlantic debate on audit regulation, including the implementation of the EU Statutory Audit Directive. The event provided an opportunity to demonstrate that public interest oversight, as mandated by the Directive on Statutory Audit, will protect the public interest, including through the participation of a range of stakeholder interests in the oversight structures, and this will foster consistent high quality standards of audit quality.

The Conference also addressed issues of cooperation and mutual recognition between oversight bodies, both within the EU and with third countries such as the United States. FEE especially welcomed the contributions of Commissioner McCreevy and PCAOB Chairman Mark Olson and PCAOB member Charles Niemeier.

Risk Management and Internal Control

In March 2005, FEE published a discussion paper Risk Management and Internal Control in the EU with a view to inviting comment from a variety of stakeholders. The paper, inter-alia, contained the following suggestions: stating the introduction of potential requirements related to risk management and internal control would be sensible, recognising that companies and Member States may face implementation challenges that will take time to resolve; there should not be a relentless increase in requirements at the European level; and when listed companies operate in securities markets where they are generally subject to shareholder influence, shareholders can often bring about real changes in behaviour in a more proportionate and cost-effective manner than detailed legal requirements.

Believing that debate was required to ensure that Europe's approach to risk management and internal control builds on best practice and that requirements should be based on

evidence that the benefits to companies and shareholders will exceed the costs involved, FEE organised a conference of key stakeholders in October 2005. The successful conference saw participation from investors, senior corporate executives, regulators and auditors.

There was support from regulators for a principle-based approach to regulation. It was generally agreed that disclosure and description were preferable to compliance with a set of rules. Indications that the European Commission would not follow a prescriptive approach were widely welcomed. A broad, business focussed approach to internal control was favoured ahead of a solitary focus on financial reporting controls.

In 2006, the Working Group published a document summarising the responses to the discussion paper and the feedback received at the October conference. Analysis of responses has indicated that there is little support for a Sarbanes-Oxley type effectiveness statement in Europe and little appetite for a EU Framework on internal control and risk management although Europe should learn from experience in other countries. However there is agreement that the law should require a company to keep proper accounting records and there is broad support for FEE's proposed regulatory principles and principles of disclosure.

Looking Ahead

The next few years will be critical for the future harmonisation of auditing standards in the European Union. ISAs need to develop in a way that meets the public interest, can be implemented effectively by the profession in all audits and gain support from member states as a basis for high quality audits. To achieve these objectives, there is a need for a full, open dialogue between all interested parties, including the standard setter, to build a common understanding. FEE looks forward to taking an active role in building mutual understanding and by contributing thought leadership on the key issues related to auditing standards.

The Working Party also plans to get involved with the implementation of the Third Directive on the Prevention of the Use of the Financial System for the Purpose of Money Laundering and Terrorist Financing by preparing high level formal guidance for accountants and auditors in the European Union aimed at assisting national federations in developing their own guidance.

AUDIT



Xavier Aubry
Quality Assurance Subgroup Chairman

Quality Assurance Subgroup

The Quality Assurance Subgroup developed a paper which studied the quality assurance systems and public oversight arrangements of 29 European countries. The Paper will contribute significantly to the ongoing debate on audit quality and the sustained efforts of the profession in this field.

Quality Assurance Arrangements across Europe

Following issue in 1998 of a FEE Paper on 'Continuous Quality Assurance – Statutory Audit in Europe' and in 2000 the EU's Recommendation on Quality Assurance for the Statutory Audit, a wide spectrum of quality control systems have developed throughout the European Union. As part of its programme of support for the coordination of audit oversight in Europe, FEE undertook a survey of 29 European countries including all EU Member States on the status of quality assurance systems and related public oversight arrangements as of 1 July 2006. The analysis of responses to this extensive survey is set out in the FEE Paper on 'Quality Assurance Arrangements Across Europe', which was published in December 2006.

Major Findings

The Paper presents two major findings: firstly, a significant number of EU Member States are still considering the impact of the Statutory Audit Directive in relation to the creation of a system of public oversight and the implementation of Article 29 on quality assurance. Secondly, all countries surveyed except one have a system of external quality assurance in place that covers all audit firms or all statutory auditors.

FEE recognises that the Directive allows for a range of possible models of oversight systems in the EU, but strongly supports public oversight bodies which, while having the ultimate responsibility, allow for significant delegation to the profession. FEE emphasises also the importance of having a wide range of stakeholders represented and that each member of an oversight body, as prescribed by the Directive, should be competent and knowledgeable in the areas relevant to auditing.

Quality Assurance systems

FEE also noted that the Directive allows for the application of a variety of different quality assurance systems in the European Union and requires mutual recognition of these different regulatory arrangements of European Member States. This reflects the principle of home-country regulation and oversight by the Member State in which the statutory auditor or audit firm is approved.

This approach will help to reduce the risk of unnecessary and burdensome duplication of oversight arrangements in accordance with the principles of the European Commission's Better Regulation Initiative.

Future Plans

The Quality Assurance Subgroup will closely monitor and contribute to the ongoing debate among legislators, regulators, public oversight bodies and the profession on the implementation of the Statutory Audit Directive as related to quality assurance systems and their oversight.

**FEE Secretariat
Contact**

Hilde Blomme
Director of
Practice Regulation
hilde.blomme@fee.be

AUDIT



Klaus-Günter Klein
*FEE Vice-President &
Regulatory Task Force Chairman*

Regulatory Task Force

The Regulatory Task Force coordinates activities related to EU draft legislation which is relevant to the work of several FEE Working Parties. The Task Force works under direct supervision of the Executive.

Statutory Audit Directive

The clear priority for the Task Force was on the revision of the Statutory Audit Directive. The Task Force followed the work of the European Parliament very closely. It focused on the committees preparing reports or opinions on the Directive and prepared briefing material which was used in contacts with MEPs.

The implementation of the Audit Directive will be the focus of the Task Force's work in 2006 and 2007. FEE Member Bodies have appointed a national coordinator to monitor the transposition of the Directive in their country. The Regulatory Task Force will work with national coordinators to help identify, and find solutions to, any difficulty in the implementation process.

Auditors' Liability

The Task Force welcomed the European Parliament's amendment to the draft Directive that addressed the issue of auditor liability. The Parliament's initiative had led to a commitment by the European Commission to report on the impact of current national liability systems before the end of 2006.

As announced in its Communication of 2003, the European Commission launched a study on the subject. The report of the consultant appointed by the European Commission, London Economics, was published in October 2006. The audit profession agrees with the principle that statutory auditors must be appropriately responsible for their statutory audit but to no greater extent than is reasonable.

FEE believes that Member States should look at the issue from an internal market perspective; even if solutions will need to be implemented in national law, as the study makes clear, the problem extends beyond national boundaries; actions to limit auditors' liability throughout the EU are in the public interest. As mentioned in the study, a range of measures are available and should be considered by Member States in adopting solutions suitable to their national legal environment.

A Group of Market Experts on liability was also established to advise the Commission. The Regulatory Task Force Chairman, Klaus-Günter Klein was appointed as a member of this Group.

The European Commission is expected to address the report required by the Directive of 17 May 2006 on statutory audit to the European Parliament and the Member States. The Commission announced its intention to organise a consultation on its proposals before tabling its final report.

Future Work

Member Bodies have appointed a national coordinator to monitor the transposition of the Directive in each Member State. The Regulatory Task Force will follow up the implementation of the Directive in Member States with appointed coordinators within the Information Task Force (ITF). A meeting of the ITF will be convened in Spring 2007. The Task Force has also launched a project on Frequently Asked Questions to establish FEE positions on a number of key issues in the implementation of the Directive. This project should be completed by the end of the first half of 2007.

**FEE Secretariat
Contact**

Henri Olivier
Secretary General
henri.olivier@fee.be

FINANCIAL REPORTING



Hans van Damme
FEE Vice-President &
Financial Reporting Policy Group Chairman

Financial Reporting Policy Group

The Group deals with policy and strategic matters and coordinates FEE's work in the financial reporting area. Since the beginning of 2005, the Group has also been active on capital market issues whilst the European Capital Markets Reporting Project Group continues to be active on prospectuses till the end of 2006. At the end of 2006, a separate Capital Markets Subgroup was created to address capital markets issues. This Subgroup will also take over the activities of the European Capital Markets Reporting Project Group. The Group supports FEE representatives on the EFRAG Supervisory Board in preparing FEE positions.

IFRS and US GAAP

In April 2005, the European Commission and the SEC agreed on a "roadmap" toward equivalence between IFRS and US GAAP setting out the steps to the eventual elimination of the SEC's reconciliation requirement.

In December 2005, FEE continued the momentum by organising a high-level policy seminar on the theme of IFRS Convergence and Consistency. Commissioner McCreevy, Ethiopis Tafara (SEC), Sir David Tweedie (IASB), Michael Crooch (US FASB) and Pervenche Berès (European Parliament) were among the speakers. The Seminar concluded that: there was strong support for global standards and clear recognition of their benefits; Europe's preparers require a stable platform of standards; for removal of the reconciliation requirement the SEC does not expect complete or even a particular degree of convergence; consistent application of IFRS means acceptable within the boundaries of IFRS standards; and that no IFRS interpretations should be considered at European level. As a result, FEE published a position paper on convergence, equivalence and mutual recognition in March 2006.

CESR carried out a consultation on equivalence of third country GAAP in the first half of 2005 and published its final advice in June. FEE contributed to the consultation calling on CESR to

consider an interim period to allow companies to list in Europe without having to provide remedies in the form of additional disclosures in the light of the anticipated convergence between GAAPs.

FEE provided in June 2006 advice to ECON (Economic and Monetary Affairs Committee) (EP) on the postponement of the equivalence decision to 2009 under the Transparency Directive and Prospectuses Directive.

Transition to IFRS and Consistent Application

International Financial Reporting Standards (IFRS) as adopted by the international standard setter, IASB, will not always be identical to those recognised under European law. This is primarily because each standard has to be endorsed by the European Commission and this process can take some time. Addressing these issues in April 2005, FEE published a discussion paper on Reporting Issues in relation to Endorsed IFRS and Possible Implications for the Audit Report. In October 2005, FEE published the analysis of responses to the discussion paper outlining steps to ensure users of accounts are clear as to the financial reporting framework being used. In December 2005, FEE issued a Communication to its Member Bodies strongly urging the profession to use the standard reference on the financial framework in the EU, concerning endorsed IFRS, in order to give a clear message to the market and to users of financial statements in and outside the EU. Currently, the Group is considering the appropriate wording for interim reporting.

Consistent application of IFRS is central to the successful adoption of the international standards in Europe and is a prerequisite to the SEC's consideration of eliminating the reconciliation requirement. In July 2005, the EFRAG Supervisory Board published a discussion paper on achieving consistent application of IFRS in the EU. The discussions, including those in the Advisory Forum held by EFRAG on 21

FEE Secretariat
Contact

Saskia Slomp
Technical Director
saskia.slomp@fee.be

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September 2005, alluded to the need for some sort of coordination of European views and requests to support IFRIC in its work. The Financial Reporting Policy Group contributed to the EFRAG Advisory Forum.

The EC created a forum of European accounting experts to identify emerging and potentially problematic accounting issues in relation to consistent application of IFRS, the so-called EC Roundtable on Consistent Application of IFRS within the EU. FEE, as well as the large firms, is represented in the EC Roundtable. The Roundtable is intended to act as a filter mechanism and to identify issues to be referred to IFRIC. It will not be making any interpretation or guidance itself. FEE seeks input from its Member Bodies on the possible subjects to be raised with the EC Roundtable, as well as through the network of the large firms. For the September 2006 Roundtable, the profession prepared a paper on de-facto control, an issue FEE has also earlier raised with Sir David Tweedie, Chairman of the IASB. In cooperation with the major firms and in consultation with CESR and UNICE, FEE prepared a discussion paper on IFRIC rejection notes which was discussed in Council in December 2006.

The EC commissioned a survey to ICAEW on the application of IFRS in the 2005 financial statements. Also, the SEC has carried out a survey of all European US listed companies producing IFRS financial statements. CESR is equally undertaking a survey. FEE will follow these developments with great interest.

EFRAG

The Group has contributed to strategic and policy issues regarding EFRAG, the European Financial Reporting Advisory Group. EFRAG agreed with the EC on its working arrangements in March 2006. A prime objective of this clarification of the relationship with the EC is a formal recognition of EFRAG by the Commission. The Commission argued that as EFRAG is a private body, it is important for the high quality, transparency and credibility of the endorsement process to establish appropriate institutional infrastructure ensuring that its endorsement advice is objective and well-balanced. For these reasons it established a Standards Advice Review Group composed of independent experts and high level representatives from National Standard setters to serve as a body to reflect on the endorsement advice submitted by the EFRAG with a view to assessing whether its content is well-balanced and objective.

FEE through its delegates in the EFRAG Supervisory Board monitored the funding of EFRAG in order to be sure that EFRAG will have the necessary resources to continue its work and to meet the expectations following its official recognition by the EC and enhanced activities.

In July 2006, ECOFIN Council of Ministers adopted a declaration on IASB funding, welcoming private sector efforts to create a broad based voluntary financing system for the IASB. The declaration, in addition, stresses that financing of EFRAG needs to continue. FEE called on its Member Bodies to support national initiatives.

FEE contributed to the organisation of the third EFRAG Advisory Forum on 18 October on the subject of revenue recognition.

IASC Foundation

In 2005, FEE took the initiative of organising meetings with Chairman Volcker and some other (European) IASCF Trustees, in order to allow an exchange of views with representatives from preparers, auditors, users and EFRAG. The first European Coordination meeting was held in February 2005 and mainly addressed the changes to the IASCF Constitution and the position of Europe within IASCF and IASB. The second meeting in November 2005, focused on the convergence project, consistent application of IFRS and the IASB working programme. There were no further meetings held in 2006, in the absence of an IASCF Chairman.

IASB and IASB Working Groups

The Financial Reporting Policy Group monitored the commenting by the Accounting, Banks and Insurance Working Parties on IASB Exposure Drafts and Discussion Papers and took a close interest and involvement in the Framework Project, IFRS for SMEs Project and Discussion Paper on Management Commentary.

In addition, the Financial Reporting Policy Group commented on a series of consultation papers, including the Draft Memorandum of Understanding on the Role of Accounting Standard Setters and their Relationship with the IASB and on the IASB *Draft Handbook* and IFRIC *Due Process Handbook*. The Financial Reporting Policy Group has carried out a survey in order to develop FEE's position on the IASB Working Programme and the related priorities.

The Financial Reporting Policy Group established contacts with European representatives in the IASB Working Groups on Revenue Recognition, Financial Instruments and Insurance. In April 2005, the Group had a special meeting with the European representatives on the IASB Working Groups to discuss cooperation and relations with FEE.

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Benoît Lebrun
Accounting Working Party Chairman

Accounting Working Party

The Working Party focused on IASB related work. In particular discussion on measurement and conceptual framework was prioritised. It reacted to a series of important IASB exposure drafts published during the period. Input was provided to EFRAG and to IASB regarding: ED 8 Operating Segments; amendments to IFRS 2 on vesting conditions and cancellations; amendments to IAS 1 on a revised presentation; and amendments to IAS 23 on borrowing costs. The Chairman represented FEE in roundtables organised by the IASB on service concessions in November 2006 and on provisions and proposed amendments to IAS 37 in December 2006.

International Financial Reporting Standards

The Working Party reacted to the IASB Discussion Paper on Management Commentary. Our main points were the optional nature of a future standard and the fact that management commentary should be outside the scope of compliance with IFRS. Input was also provided on the IASB Discussion Paper on Measurement Bases for Financial Accounting: Measurement at Initial Recognition. In our view, the paper drew a number of conclusions without balanced justifications and convincing arguments.

The Working Party commented on the first discussion paper as part of the joint IASB-FASB project to develop a common conceptual framework for financial reporting. It addressed the objective of financial reporting and qualitative characteristics of decision-useful financial reporting information.

In addition comments were provided to EFRAG and to IFRIC regarding the proposed interpretations published by IFRIC on: interim financial reporting and impairment; IAS 19 the asset ceiling; availability of economic benefits and minimum funding requirements and customer loyalty programmes.

EFRAG

The Working Party contributed to EFRAG's endorsement advice concerning a number of interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) including IFRIC 7 – restatement approach under IAS 29, IFRIC 8 – scope of IFRS 2, and IFRIC 10 – interim financial reporting and impairment. Comments were also provided regarding the endorsement of the amendment to IAS 21 regarding net investment in a foreign operation.

The Group receives regular updates on the work conducted by EFRAG.

IFRS for SMEs

Members of the Working Party participated in the joint EFRAG/FEE Group on IFRS for SMEs which discusses the development of the Exposure Draft on IFRS for SMEs.

Other Projects

The focus will continue to be on IFRS development. Comments will be provided to EFRAG and to IASB and Discussion papers may be developed. The Working Party will continue to contribute to EFRAG's draft endorsement advices on the adoption of IFRS/IFRIC in Europe.

The Working Party will also provide input to EFRAG on their papers' issues under the PAAinE (Proactive Accounting Activities in Europe). A first discussion paper on Elements of the Conceptual Framework is published for comments by 18 March 2007 and a second paper on Performance Reporting is open for comments by 30 March 2007.

The EC has launched a project on simplification of rules in accounting, auditing and company law for SMEs and will request contribution of FEE. The Accounting Working Party will contribute to the FEE input which will be coordinated by the Financial Reporting Policy Group.

FEE Secretariat
Contact

Saskia Slomp
Technical Director
saskia.slomp@fee.be

FINANCIAL REPORTING



Hans van Damme
FEE Vice-President &
Banks Working Party Chairman

Banks Working Party

The main focus for the Working Party has been on financial instruments, particularly amendments to the international standard, IAS 32 and 39. The Working Party operates a Financial Instruments Subgroup in which members of the Accounting, Banks and Insurance Working Parties participate.

IAS 39/IAS 32

Following the adoption of the amendment to IAS 39 regarding the fair value option, an element of IAS 39 still remains to be agreed and the Working Party has monitored the ensuing discussion between IASB and the banking organisations regarding a possible interest rate margin hedge method. The discussion will continue in 2007 with the objective of eliminating the last carve-out in the endorsed IAS 39.

The Working Party submitted comments to EFRAG and to IASB on the proposed amendments to IAS 32 and IAS 1 regarding financial instruments accept puttable at fair value and obligations arising on liquidation. We expressed reservations about the amendments, being too narrow in their application to justify an exception to the principles of IAS 32.

The IFRIC Draft interpretation D15 on Reassessment of Embedded Derivatives was discussed and comment letters were submitted to both EFRAG and IFRIC.

EFRAG and IFRIC

The Working Party responded to EFRAG's endorsement advice on the IFRIC interpretation on reassessment of embedded derivatives. Following the European endorsement of the revised Fair Value Option, the Subgroup was consulted by the European Commission on a proposal to amend Article 42 of the Fourth Directive. The purpose of the proposal was to align the wording of the Fourth Directive with the amended IAS 39.

In the period, the Working Party also monitored and discussed working documents of CEBS (the Committee of European Banking Supervisors) and publications by the Basel Committee on Banking Supervision.

Future Plans

The Working Party will continue to monitor the discussions between the IASB and the banking organisations (FBE) with the objective of eliminating the carve-out in IAS 39.

It will eventually consider the EFRAG endorsement advice on amendments to IAS 32 proposed in 2006, and technical impact of applying IFRS 7.

The group will also follow the development of the IASB/FASB due process document on financial instruments, which should be published by January 2008, as agreed in the Memorandum of Understanding.

Relevant publications by CEBS and the Basel Committee will be considered by the Working Party to provide comments. Other issues to be considered by the Working Party in the future are: the reporting to be required from external auditors on the adequacy of investment firms' arrangements under Articles 13(7) and (8) of EU Directive 2004/39/EC; effects of Basel II implementation on financial institutions applying IFRS; and effects of the MIFID implementation on audit.

**FEE Secretariat
Contact**

Saskia Slomp
Technical Director
saskia.slomp@fee.be

FINANCIAL REPORTING



Gerd Geib
Insurance Working Party Chairman

Insurance Working Party

The EU project on Solvency II and the work of the CEIOPS were the focus of the 2006 activities for the Working Party.

Solvency II

Regular contact with the European Commission and the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) facilitated the Working Party's input on the reform of the supervisory system for insurance companies, known as Solvency II. The project aims to establish a solvency system that is better matched to the true risk of an insurance company. In its development of detailed rules and implementation measures on Solvency II, CEIOPS has consulted with the audit profession as well as with the insurance industry and the actuarial profession. Members of the Working Party were invited to participate in CEIOPS working groups on 'Pillar I'. The Chairman of the Insurance Working Party is also member of the CEIOPS Consultative Panel.

In 2006, FEE contributed to the process by submitting a comment letter to CEIOPS on their draft answers to the European Commission on the third wave of calls for advice in the framework of the Solvency II project. A comment letter to CEIOPS on further advices on Pillar I issues, Pillar II issues, Supervisory Powers, Supervisory Reporting and Public Disclosures and on Safety Measures is in preparation. FEE also provided input to CEIOPS investigation on the "Treatment of deeply subordinated debt".

The Working Party considered also the joint submission of the CEA and the CRO Forum on solutions to major issues for Solvency II, especially regarding the valuation of liability and calculation of available solvency capital. Representatives from the CRO Forum were invited to a meeting.

A public hearing was organised by the European Commission on 21 June 2006 to give all stakeholders the opportunity to express their views on the Solvency II project, in which some members of the FEE Working Party attended.

IFRS

In March 2004, the IASB published IFRS 4: Insurance Contracts as an interim standard. A final standard ("Phase II") is currently discussed by the IASB. The publication of a Discussion Paper is expected for the first quarter of 2007. The European insurance industry has developed its view by elaborating principles which are expected to be considered by the IASB. Members of the "CFO-Forum", formed by 20 CFOs of European insurers, were invited to present their paper at a meeting of the Working Party.

The Working Party discussed the technical impact of IFRS 4 and prepared a comment letter on the third set of drafts of International Actuarial Standards of Practice, published by the International Actuarial Association as educational standards and dealing with the impact of IFRS 4 on the actuarial profession.

Members of the FEE Insurance Working Party participate in the EFRAG Working Groups on Insurance Accounting and Financial Instruments, and close contact with European representatives of IASB working groups is maintained.

Future Plans

IFRS remains a key issue; in particular the Phase II Insurance Project of the IASB as well as the interpretation and impact of IFRS 4. The IASB Discussion Paper on Phase II Insurance Contract will be published during 2007 and a task force within the Working Party has been formed to develop preliminary views for FEE comment letter to IASB. The focus will be on technical issues raised by the different stakeholders, as well as the auditing implications related to fair value measurement and disclosures.

As the European Commission advances the Solvency II reforms there will be much overlap with accounting and auditing issues. Close contacts will be maintained with the European Commission, regulators and supervisors, especially via the cooperation with the relevant working parties of CEIOPS.

**FEE Secretariat
Contact**

Saskia Slomp
Technical Director
saskia.slomp@fee.be

CAPITAL MARKETS



Erich Kandler
*Company Law and Corporate
Governance Working Party
Chairman*

Company Law and Corporate Governance Working Party

The Working Party was established as a result of a merger between the Company Law Task Force and the Corporate Governance Subgroup.

EC Action Plan on Company Law

At the end of 2005, the EC launched a consultation regarding future priorities for the action plan on modernising company law and corporate governance in the European Union. The Working Party prepared FEE's contribution to this consultation. DG Internal Market organised a public hearing on 3 May 2006, which was attended by several FEE representatives. On 7 July, the EC published the summary report on the consultation and hearing. The results show clear support for the application of better regulation principles to the field of company law and corporate governance.

Fourth and Seventh Directives

The proposed amendments to the 4th and 7th Company Law Directives, which were officially published on 14 June 2006, were high on the agenda of the Working Party. The reforms of board responsibilities, corporate governance statements, related parties and off-balance sheet arrangements will have important consequences for corporate Europe. The Working Party particularly focused on the European Parliament, developing a special briefing note for MEPs highlighting the importance of the location of the corporate governance statement given the related audit implications and noting that the requirements regarding related party transactions should not exceed IAS 24. The Working Party will closely monitor the implementation of the amendments to the 4th and 7th Directives, including the implementation of options and questions about particular articles.

A combined subgroup of the Auditing Working Party and Company and Corporate Governance Working Party was

established in Spring 2006 to develop a project on the auditors' role regarding providing assurance on corporate governance statements: on what elements of the corporate governance statement can assurance be provided and what form of assurance can be provided? The aim is to stimulate debate, with the ultimate objective to encourage a global standard or guidance from IAASB.

Statutory Audit Directive

The Working Party contributes to the Regulatory Task Force's work on the implementation of the Statutory Audit Directive replacing the existing 8th Directive, in particular on Articles 37, 38 and 41 in relation to the appointment and dismissal of the auditor and the audit committee.

In addition, it will undertake a study to clarify the relationship between the auditor and the audit committee, with an aim to provide specific best practice information on such a relationship.

Capital Maintenance

The Working Party responded to the European Commission's proposed Directive on companies' capital formation, maintenance and alteration. A subgroup has been created to lead a proactive project focusing on capital maintenance and alternative regimes, including the solvency test, with a focus on accounting and auditing aspects. It will closely monitor the progress on the EC feasibility study on an alternative to the existing capital maintenance regime.

Representation

The accountancy profession's high level contribution to the European debate in corporate governance is well recognised. Erich Kandler was appointed to the European Commission's Advisory Group of Non-Governmental Experts on Corporate Governance and Company Law. In addition, the profession

**FEE Secretariat
Contact**

Saskia Slomp
Technical Director
saskia.slomp@fee.be



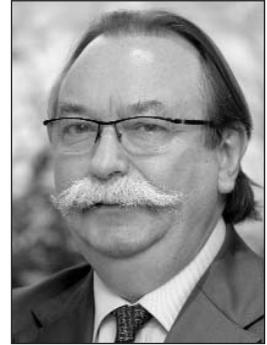
CAPITAL MARKETS

provided active contribution to many high profile seminars in the corporate governance debate, such as the UN/ISAR Consultative Group on Corporate Governance, the CEPS Task Force on Corporate Governance Reform and the ECGI's Transatlantic Corporate Governance Dialogue.

Next Steps

Throughout 2007 the Working Party will monitor the progress of the EC company law and corporate governance Action Plan. It will also monitor the implementation of Amendments to the Fourth and Seventh Directives. The Working Party will also conduct projects on Assurance on Corporate Governance Statements and on Capital Maintenance and monitoring of EC/KPMG Study on alternative systems to the existing capital maintenance regime.

PROFESSIONAL REGULATION



*Jacques Potdevin
FEE Deputy President &
Liberalisation/Qualification
Working Party Chairman*

Liberalisation/Qualification Working Party

The Working Party closely followed the legislative agenda on all aspects linked to the recognition of professional qualifications and the cross-border provision of services. It also followed EC activities in the area of competition as far as liberal professions are concerned.

Recognition of Professional Qualification Directive

The Directive was approved on 7 September 2005. It adds new provisions related to cross-border provision of services under the home country title to existing rules concerning establishment in another country. In its representation on the Directive, FEE emphasised that, where they wish to, Member States should be allowed to subject cross border service providers to the rules and disciplinary provisions linked to professional qualifications in the country where the services are provided.

The Working Party started a major project on commenting on the Directive on Recognition of Professional Qualifications. This project aims at providing Member Bodies with a comprehensive analysis of the Directive and its connection with the Statutory Audit Directive and the Services Directive. The objective is to have this project finalised by June 2007.

Services Directive

The Commission's proposal to improve cross-border provisions of services, in line with the Lisbon Agenda generated much interest and controversy in 2005. FEE has communicated its main concerns to the EU institutions since the proposal was first issued in 2004. It is important that there is consistency between the Services Directive and other legislation, particularly on recognition of professional qualifications and statutory audit. The main concern related to the clarity of the scope of the Directive. These concerns

were taken into account so that the final text is not expected to cause major problems to the profession.

Competition and Market Access Rules

Responding to the European Commission's growing interest in competition policy and the regulated professions, the Working Party prepared a study to ascertain the current situation regarding market access. The survey concluded that the accountancy profession operates in the main in activity areas where there are no market access rules restricting or prohibiting the entry of other service providers. Only in the areas of statutory audit and to some extent other reports which are required by European company law directives, do market access regulations, oblige consumers to acquire services from the accountancy profession.

Education Subgroup

The Education Subgroup focused on issues connected to lifelong learning. The Subgroup prepared FEE comments on the European Commission's working document "Towards A European Qualifications Framework for Lifelong Learning". It organised a meeting with directors of continuous professional development in Member States to discuss the implementation of the IFAC Standard IES 7.

Two surveys on continuous professional development in Member States and on practical training of accountants and auditors should be finalised in the first half of 2007.

Future Plans

The Recognition of Professional Qualifications Directive, the Statutory Audit Directive and the Service in the Internal Market Directive will be closely monitored in 2007 as well as the negotiations in Doha Round, notably through an active participation in ESF.

**FEE Secretariat
Contact**

Henri Olivier
Secretary General
henri.olivier@fee.be

PROFESSIONAL REGULATION



Michael Niehues
Ethics Working Party Chairman

Ethics Working Party

In 2006 two of the main priorities for the Working Party were the publication of the survey on the implementation of the EU Recommendation on Independence and the discussion concerning the IFAC Ethics Committee exposure draft on network firms.

Mr. Michael Niehues was appointed Chairman of the Working Party succeeding Dr. Harald Ring who resigned from this position after more than 12 years in office. FEE is very grateful to Dr. Ring for his exceptional contribution to the Ethics Working Party.

Survey of Independence

In March 2006, FEE published a survey on the implementation of the EU Recommendation on Independence prepared by the Working Party. It outlines how the principles underlying the Recommendation, recently given a legal underpinning by the revised Statutory Audit Directive, are applied in the European Union Member States. The principles of the Recommendation have been implemented in about three quarters of Member States. Most European Union countries have taken regulatory initiatives on auditor independence in the last few years. The accountancy profession has strongly supported auditor independence reform in Europe. It is now important that there be a regulatory pause to allow this new approach to auditor independence time to prove its worth to users of audit reports. A stable platform on independence is required to focus more broadly on the common goal of high audit quality.

The Working Party closely followed the development of the proposed Directive on Statutory Audit in the areas of ethics and independence. The Working Party also outlined its plans on the implementation of the Statutory Audit Directive.

IFAC Code of Ethics

At the end of 2004, the Chairman of the Working Party was invited to participate in the newly formed Consultative Advisory Group of the International Ethics Standards Board for Accountants, formerly the IFAC Ethics Committee. He has actively contributed to its workings in 2005 and 2006 by continuing to express support for a principles based approach to ethical standard setting, supplemented by appropriate guidance, restrictions and prohibitions.

The Working Party also discussed the IFAC Ethics Committee exposure draft on network firms definition in detail and advocated for a network definition in line with the one included in the Statutory Audit Directive.

PCAOB Docket Rule

The Working Party commented on the US PCAOB proposed rules concerning independence, tax services and contingent fees. These rules stipulate that the provision to an audit client of services for a contingent fee or a commission, the provision of assistance in planning or tax advice on certain types of potentially abusive tax transactions and the provision of tax services to certain senior officers of an audit client impair the independence of an audit firm.

Future Plans

The Working Party has three priorities for 2007: Commenting on substantial revision of the Independence Section of the IFAC Ethics Code; Contributing to the work of FEE in relation to the implementation of the Statutory Audit Directive to promote consistent application of those provisions relating to Ethics and independence and; Preparation of an update of the "Considerations on the Implementation of the Framework Approach" issued by FEE in October 2004.

**FEE Secretariat
Contact**

Hilde Blomme
Director of Practice
Regulation
hilde.blomme@fee.be

PUBLIC SECTOR



Caroline Mawhood
Public Sector Committee Chair

Public Sector Committee

The Committee's priorities were on researching the implementation of accruals basis of financial reporting in the public sector, on New Public Management and on regularity audits.

Accrual Accounting in the Public Sector

The main event during the period was the successful Joint European Commission/FEE Conference on "Modernising Accounting in the Public Sector: Exchange and Experience" on 28 September 2006. It was held in the European Parliament in Brussels with over 350 participants. The Commissioner for Financial Programming and Budget, Dalia Grybauskaitė was the keynote speaker. The purpose of the Conference was to exchange experience in implementing accrual accounting and reporting; share ways of overcoming potential problems; and review the progress achieved in different Member States. There were workshops on "Accounting Principles: Issues and Challenges", "Empowering the Organisation to Ensure the Reliability of Accounting Data", and "Lessons Learned and Added Value of Modernisation of the Public Accounting for Public Sector Management". The Conference was timely as the Commission had just delivered its first set of accrual accounts in November 2006.

The Public Sector Committee expects to publish its Survey on Accrual Accounting in the Public Sector in early 2007. A summary of the results was presented at the Joint EC/FEE Conference.

In April 2006, FEE published two documents on accrual accounting entitled "Accrual Accounting for More Effective Public Policy" and "Better Financial Information for Better Decision Making". The latter was a briefing for MEPs describing why accrual accounting is so widely accepted and it describes the benefits it offers to those involved in the political process.

New Public Management

In November 2006, FEE published the paper entitled "The New Public Management: A Perspective for Finance Practitioners". This resulted from a collaboration between the Committee and Professor Eugenio Caperchione. It provides an insight into the implications of NPM for finance practitioners and auditors in the public sector. NPM is a powerful set of reforms covering budgeting, accounting, reporting and auditing.

Public Sector Accounting Standards Board

The Committee has worked actively with the IFAC International Public Sector Accounting Standards Board. The Committee seeks to comment on issues of concern to European members, for example, formal comments we submitted on IPSAS ED 24 relating to disclosures on external assistance as well as on ED 26 – Improvements to International Public Sector Accounting Standards; ED 27 – Presentation of Budget Information in Financial Statements; ED 28 – Disclosure of Financial Information about the General Government Sector; ED 29 – Revenue from Non-Exchange Transactions (including taxes and transfers); and IAASB Clarity Exposure Drafts (providing input to the Auditing Working Party from a public sector perspective).

The Committee had a key input into FEE's comment on the international exposure draft on service concessions.

Tackling External Fraud

The Committee published a guide to Good Practice Guide on Tackling External Fraud in 2005. The key messages focused on the importance of organisations: taking a strategic approach to fraud; assessing the scale of the fraud threat; understanding the types of fraud risk; setting targets and monitoring performance; and identifying controls to use in the prevention of fraud.

**FEE Secretariat
Contact**

Saskia Slomp
Technical Director
saskia.slomp@fee.be



PUBLIC SECTOR

European Institutions and Academia

The Committee has continued to develop relations with key European Institutions and academia. The Committee was represented at the European Parliament seminar on improving financial accountability in the European Union. A strong relationship has been established with the Comparative International Government Accounting Research (CIGAR) network of academics. The Committee has close contacts with DG Budget.

The Committee has also undertaken a survey on national public sector committees and their activities with the aim of establishing closer contacts.

Future Plans

One of the main priorities for 2007 is the project on regularity and legality requirements of public sector audits. The aim is to produce a publication in 2007. Auditors are increasingly being asked by the Commission to provide assurance on the regularity of grants. The paper will aim to provide insight into how to provide this type of assurance. The Public Sector Committee will publish its Survey on Accrual Accounting in the Public Sector in early 2007.

SME



José Maria Bové
**FEE Vice-President &
SME/SMP Working Party Chairman**

SME/SMP Working Party

The Working Party's primary focus is on representation of SME/SMP interests at European level. The European Commission's DG Enterprise is a key contact in this regard. Representatives of the Working Party regularly participated in events organised by the European Commission and SMEs organisations.

Fifth Roundtable Between Banks and SMEs

FEE participates in the high level and technical meetings of the Fifth Roundtable between Banks and SMEs. The focus of the technical meetings includes transparency, mezzanine financing and securitisation. The Roundtable being organised by the European Commission discusses practices on SME access to finance in the EU in order to enhance the dialogue between banks and SMEs. The meetings will continue into 2007.

IFAC and IAASB

The Working Party provided informal input from a European SME/SMP perspective to IFAC's SMP Committee on draft ISAs. In addition, input was provided to the Auditing Working Party which prepared the FEE response to the ISA exposure drafts. ISAs work will feature prominently in 2007, and the Working Party seeks to highlight SME/SMP concerns when responding to IFAC's clarity project, which will see the redrafting of all ISAs in order to improve their clarity.

The Working Party continued to enhance its relationship with the IFAC SMP Committee, through overlapping membership and joint meetings.

A board representative of EFAA is observer to the Working Party and in this way the relationship with EFAA is maintained.

IFRS for SMEs

The joint EFRAG/FEE Group is dealing with financial reporting for SMEs and is elaborating considerations regarding the IASB project on IFRS for SMEs. The group provides input to both EFRAG's Technical Expert Group and the European members of the IASB's SME Working Group. FEE also commented on the

IASB's questionnaire on possible recognition and measurement modifications for SMEs, broadly supporting the views of EFRAG. In addition, FEE was represented on the IASB round tables held by the IASB in October 2005. Gerhard Prachner, member of FEE's Accounting and SME/SMP Working Parties, represents EFRAG on the IASB SME Working Group. During 2006, the Joint Group has discussed the draft Exposure Draft on IFRS for SMEs in order to prepare its position when the final Exposure Draft is to be issued at the end of this year. The Exposure Draft on IFRS for SME will be the focus of the joint group in 2007.

Publications and other Projects

In November 2005, the guide *How SMEs can reduce the Risk of Fraud - Limiting Fraud Risk - What SMEs can do*, was published. The Guide analyses the impact of fraud, provides practical suggestions to identify, detect and prevent fraud and recommends implementing internal control systems tailored to specific needs.

The Working Party is monitoring the implementation of the Statutory Audit Directive for SME and SMP relevant matters such as network definition and disclosure of audit fees. Projects that will continue into 2007 are projects on networks and on thresholds.

Congress of SME/SMP Accountants

The Second FEE Congress for SME/SMP "Growing Business in a Changing Global Environment" was organised in Versailles on 7/8 September in cooperation with French Member Bodies OEC and CNCC and their regional bodies and with the AMA (Arc Méditerranéen des Auditeurs). The Congress had plenary sessions on SME audit and IFRS for SMEs and a series of workshops on the themes of taxation, networks and networking, access to finance, transmission and take over of SMEs, managing a SMP and new techniques and technology. More than 300 participants attended this very successful congress. The SME/SMP Working Party prepared the technical programme. The next congress will take place in the Netherlands (Scheveningen) on 6/7 September 2007.

**FEE Secretariat
Contact**

Saskia Slomp
Technical Director
saskia.slomp@fee.be

SUSTAINABILITY

(Left)
Lars-Olle Larsson
Sustainability Assurance Subgroup Chairman

(Right)
Johan Piet
Sustainability Working Party Chairman



Sustainability Working Party & Sustainability Assurance Subgroup

The accountancy profession due to its expertise on quality of information has a significant contribution to make to developments in the sustainability area. The Working Party operates in liaison with the Auditing Working Party and Financial Reporting Policy Group.

Strategic Plan

During 2005, the Working Party updated its strategic plan. The plan outlines the specific role of the accountancy profession in supporting sustainability reporting and related assurance. It provides a framework for the Working Party as it looks to meet the challenges and opportunities for the profession stemming from the growing importance of extra-financial information for entities and their stakeholders, and its relevance for long-term financial performance. The accountancy profession is the key supplier of advice on preparation of reliable financial and non-financial information including sustainability information and in giving assurance thereon. In 2006, the strategic plan was kept up to date.

In 2005, Council requested Mr. Paul Druckman, former President of ICAEW to review FEE's sustainability activities, strategy orientation and focus. This resulted in a decision to restructure FEE's sustainability activities in order to play a more active and prominent role in the sustainability arena. Council approved in December 2006 the new structure consisting of: a Sustainability Advisory Panel (high-level group of individuals mainly from outside the profession); a Sustainability Policy Group dealing with political, policy and strategic issues; a Sustainability Working Party to undertake the technical work.

Emissions Trading Alert

In January 2005, the FEE Alert on Emissions Trading was published to coincide with the European Union Greenhouse Gas Emissions Trading Scheme (EU ETS), which commenced operation on 1 January 2005. The scheme is a major part of Europe's strategy to comply with the UN's Kyoto Protocol. The

FEE publication considers the financial reporting and auditing issues, impacting upon the financial statements, arising from the EU ETS.

Sustainability Assurance Subgroup

The Sustainability Assurance Subgroup prepared a Discussion Paper entitled: Key Issues in Sustainability Assurance – An Overview which was published in June 2006. The paper identifies areas of commonality in the various national pronouncements issued to date as well as analysing their differences. It is hoped that the paper will provoke debate that will enhance the ability of national and international standard setters, notably the IAASB, to meet the needs of the marketplace for suitable standards for assurance that will increase the credibility of sustainability reports.

On 21 November, a roundtable event was organised by FEE to discuss the FEE publication "Key Issues in Sustainability – An Overview" in a wider context addressing the possible need for assurance on sustainability and a related sustainability assurance standard. Several senior people participated in the roundtable, including Mr. John Kellas, IAASB Chairman; Mr. David Damant, IAASB CAG Chairman; Mr. Ernst Ligteringen, GRI CEO; Mr. Richard Howitt, MEP; as well as preparers and investors. There was also a selected audience. The debate has given a useful contribution to FEE's consideration of its strategy on sustainability activities and has also demonstrated the need for further international guidance in the assurance on sustainability reports.

The Subgroup gave input to a paper which was developed by IAASB in parallel with the G3 Exposure Draft "Assurance Aspects of G3".

Reporting

Input was provided into the Global Reporting Initiative (GRI), notably in the process of development of the "G3" exposure

**FEE Secretariat
Contact**

Saskia Slomp
Technical Director
saskia.slomp@fee.be

SUSTAINABILITY

draft of its Sustainability Reporting Guidelines. The Group contributed to the GRI survey on shaping new GRI reporting levels, as well as the GRI survey on external verification/assurance of GRI-based reports. The Working Party and Subgroup prepared the FEE comment letter and reaction on the GRI G3 Exposure Draft of the Sustainability Reporting Guidelines.

During the Exposure period, FEE hosted on 17 March 2006 a European sneak peak event to raise the awareness on G3 and to promote response to G3. The assurance theme formed an important part of the discussions. FEE provided several speakers for the event.

At the beginning of October 2006, the GRI G3 Sustainability Reporting Guidelines were launched at a large congress in Amsterdam with well known speakers such as the Mayor of Amsterdam, the Prince of Orange, Commissioner Walström, Al Gore and others. FEE President David Devlin chaired the leadership track on assurance on sustainability reports. The session showed a clear interest in sustainability assurance with a lot of variances as to how it could be provided.

Comment Letters to Standard Setters

The Subgroup gave input to a paper which was developed by IAASB in parallel with the G3 Exposure Draft "Assurance Aspects of G3".

The Subgroup developed in 2005 the FEE responses to the Dutch Royal NIVRA Exposure Drafts ED3410 'Assurance Engagements Relating to Sustainability Reports' and ED 3010 'Practitioners Working With Subject Matter Experts From Other Disciplines on Non-Financial Assurance Engagements'. It also gave, in 2005, input to the FEE comments on the draft endorsement advice on IFRIC 3 on Emission Rights.

EC

The EC issued a communication on CSR in March 2006 in which sustainability reporting was only marginally addressed and sustainability assurance was not mentioned at all. It announced the re-establishment of the Multi-stakeholder Forum. FEE has been invited to participate in the Multi-stakeholder Forum which evidences the enhancement of our relationship with the EC: FEE has been invited to participate in the Multi-stakeholder Forum which evidences the enhancement of our relationship with the EC.

Other Organisations

Several members of the Working Party and Subgroup and FEE itself are involved in SEAP (Sustainability Experts Advisory Panel) of IAASB and contribute actively. In addition, FEE contributes to the ISAR/UNCTAD work on indicators. FEE is a member of Eurosif, promoting social responsible investment and has established useful contacts. The Working Party cooperates with AccountAbility and comments on AA Exposure Drafts, where considered appropriate.

Several Working Party members spoke at the IFAC World Congress of Accountants in Istanbul in November 2006 in the sustainability workshops.

TAXATION



Stefano Marchese
FEE Vice-President &
Direct Taxation Working Party Chairman

Direct Taxation Working Party

In 2006 the Working Party has focussed activities on significant cases before the European Court of Justice and the European Commission project on a common corporate consolidated tax base.

Direct Tax Legislation

The Working Party monitored closely the legislative process regarding direct taxation aspects of measures such as: the 'new' Parent-Subsidiary and Mergers Directives; the Transfer Pricing Forum; Harmful Tax Competition; and Double Taxation Conventions.

A survey was carried out on the implementation of the Interest and Royalties Directive in Member States, with the aim of publishing a position paper in early 2007.

Subgroup on the Common Corporate Consolidated Tax Base

The Subgroup consists of members of the Direct Tax and Accounting Working Parties, as well as an academic. It focuses on the European Commission project on the Common Corporate Consolidated Tax Base (CCCTB), which generated momentum in the last two years. The project, addressed to companies operating cross border in the EU, is currently high on the DG Tax list of priorities. Since November 2004 a European Commission Working Group on the CCCTB is active and includes Member States' representatives. FEE Subgroup on the CCCTB was invited to participate to the two meetings open to external academics and experts in December 2005 and 2006.

The Subgroup has carried out a survey, which will be used as a basis for a new publication analysing among others issues related to dependency of tax and accounting and the application of IFRS as a starting point for calculating the base. The Subgroup also contributed to CEPS (Centre for

European Policy Studies) report on 'Achieving a Common Corporate Consolidated Tax Base in the EU'.

Subgroup on the European Court of Justice cases

Over the last few years the European Court of Justice (ECJ) has played an increasingly significant role in the area of company taxation. As Member States have to amend their national laws in order to comply with the ECJ decisions, this leads to a kind of 'forced coordination' within Europe in specific fields of taxation, which are in some cases not yet covered by Directives.

The Working Party operates a subgroup on ECJ issues. It studies both pending cases and ECJ decisions delivering opinions on identified issues of particular interest for the profession. In December 2005 the subgroup attended the hearing of the 'Cadbury Schweppes case' and published FEE observations on the case (which was pending at the time), analysing whether the application of Controlled Foreign Company (CFC) legislation was in line with the relevant article of the EU Treaty. In June 2006 FEE observations on the 'Marks & Spencer case' were also published. The case dealt with the issue of group tax relief in the UK in respect of losses incurred by subsidiaries in other Member States.

Conferences

In May 2005 the Indirect Tax and Direct Tax Working Parties, in conjunction with the Romanian Profession, organised the conference "EU Tax Law and its Impact at National Level", in Bucharest. European Commission officials of DG Tax, members of the European accountancy profession and academics addressed a number of key issues of concern to both the new Member States and the European Union as a whole, debating the pros and cons of harmonisation in the tax field.

**FEE Secretariat
Contact**

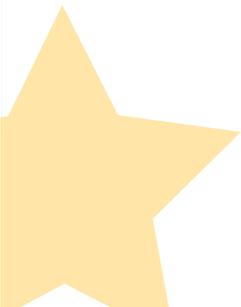
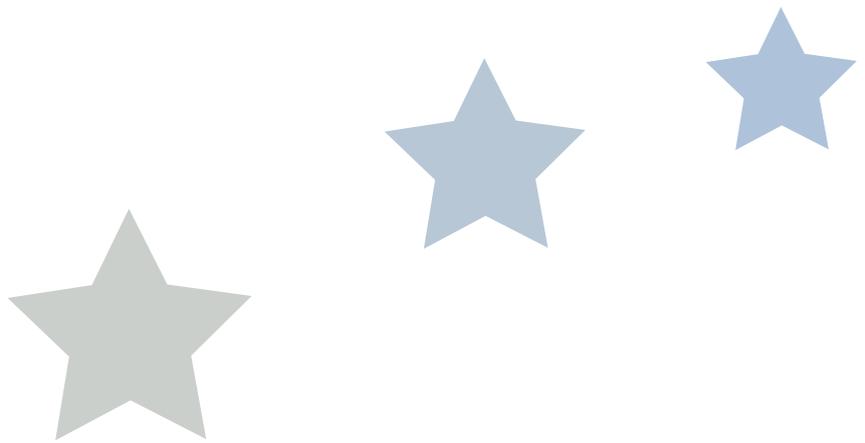
Saskia Slomp
Technical Director
saskia.slomp@fee.be

TAXATION

FEE also directly contributed to the 2006 World Congress of Accountants in Istanbul by taking responsibility for a session on Direct Taxation in Europe.

Future Plans

Tax is a strategic issue from both the public interest and taxpayers' perspective. Taxation importance has been significantly rising at ECOFIN councils, where it is nearly always on the agenda since recently. This is a signal to increase FEE visibility in the tax area. The Working Party will continue to monitor the agenda of European Commission DG Taxation closely, provide comments on the activities of interest of the profession and be proactive as well.



TAXATION



Stephen Dale
Indirect Taxation Working Party Chairman

Indirect Taxation Working Party

The Working Party concentrated on developing the profession's reaction to the European Commission's proposals for VAT simplification.

VAT Simplification

The Working Party welcomed the European Commission's proposals regarding the place of supply of services to non-taxable persons as a step in the right direction, but pointed out that the benefit of the simplifications will be limited. As part of the simplification proposals the Commission is pursuing its work on the 'One Stop Shop' system, which will nonetheless require businesses to complete the different VAT returns in 20 languages, applying the different VAT rules of the Member State in which the relevant transactions are carried out.

VAT Fraud

VAT fraud remains a hugely important issue. The Working party reacted to the European Commission's proposal to amend Directive 77/388/EC. The Commission's intention is to simplify the procedure for charging VAT and to give Member States an alternative to the rules of the existing Directive in order to counter tax evasion and VAT fraud. The accountancy profession agrees that whatever means are available must be used to combat evasion. Even though the intent of the proposed Directive is sensible and correct, FEE does not agree with all the details of the proposal. Some problems might arise from a codification of the existing derogations as derogations could in certain cases be in contradiction with the principles of the 6th Directive. There appears to be confusion between the actions that need to be taken to deal with VAT fraud and those actions required to deal with tax avoidance which could be undertaken by fully applying the existing legislation.

Other Projects and Conferences

The Subgroup worked on the VAT treatment of vouchers and promotional schemes within the 25 EU Member States. A comment letter with technical annex was published, highlighting that the current VAT regime creates a high degree of uncertainty for businesses with a possible exposure to significant costs.

In May 2006 the Indirect Tax and Direct Tax Working Parties, in conjunction with the Romanian Profession, organised the conference "EU Tax Law and its Impact at National Level", in Bucharest. European Commission officials from DG Taxation, members of the European accountancy profession and academics addressed a number of key issues of concern to both the new Member States and the European Union as a whole, debating the pros and cons of harmonisation in the tax field.

FEE also directly contributed to the 2006 World Congress of Accountants in Istanbul, the German Accounting Federation Seminar on VAT Fraud in Berlin, the European Banking Federation meeting on VAT and Financial Services and the FEE Congress for SME's at Versailles in September 2006.

Future Plans

The year 2007 will be very active for the Working Party in a number of areas. The Consolidated VAT Directive adopted in November 2006 will enter into effect on January 1 2007, which will require close analysis and comment. The Working Party will be actively involved in reviewing and commenting on any new proposals emanating from the Commission. In addition, although this is a moving target as the Member states are each attempting to find their own individual solutions to the VAT fraud issue, the Working Party will finalise and publish its survey on VAT taxable persons.

**FEE Secretariat
Contact**

Saskia Slomp
Technical Director
saskia.slomp@fee.be

PUBLICATIONS 2006

Quality Assurance Arrangements Across Europe

FEE Survey - December 2006

This Paper studies the quality assurance systems and public oversight arrangements of 29 European countries, as of 1 July 2006.

The New Public Management: A Perspective for Finance Practitioners

FEE Position Paper – December 2006

This Paper's main objective is to provide an insight for public sector finance practitioners and auditors to the implications of NPM particularly with regard to the financial aspects of the reforms.

Implementation of International Auditing Standards for all Statutory Audits in the European Union

FEE Briefing Note – September 2006

The Briefing Note sent to Members of the European Parliament, provides that it is in the public interest if statutory audits of all companies are carried out in accordance with international standards.

European Court of Justice decided case C-446/03 v Her Majesty's Inspector of Taxes

FEE Observations – August 2006

As a result of the judgement made by the European Court of Justice, FEE stated that company tax systems should now have symmetrical treatment of company profits and losses with the losses of foreign subsidiaries being taken into account for the calculation of the parent company's taxable income, unless used in the state of the subsidiary.

Key Issues in Sustainability Assurance – An Overview

FEE Discussion Paper – June 2006

This Paper analyses Swedish, French, Dutch and German standards for assurance on sustainability reports. The analysis is structured by reference to the international framework and the generic standard for assurance issued by the International Federation of Accountants (IFAC).

Analysis of Responses to FEE Discussion Paper Comfort Letters Issued in relation to Financial Information in a Prospectus

FEE Position Paper – May 2006

This FEE Paper sets out the views of a number of respondents, including some banks and advisers, on the issues raised in the Discussion Paper 'Comfort Letters Issued in relation to Financial Information in a Prospectus' published in April 2005. It provides recommendations based on these comments and further reflections.

Analysis of Responses to the FEE Discussion Paper on Risk Management and Internal Control in the EU

FEE Position Paper – May 2006

FEE summarised the responses to the Discussion Paper 'Risk Management and Internal Control in the EU' in March 2005. The summary of the responses was presented in this Paper in order to provide conclusions on each of the questions.

Responses to the FEE Risk Management and Internal Control in the EU Discussion Paper

External Comments – April 2006

Further to the publication in March 2005 of the FEE Risk Management and Internal Control in the EU Discussion Paper, FEE received a number of comment letters from various stakeholders.

Survey of Financial Control and Expenditure Approval in Central Governments across Europe

FEE Survey – April 2006

FEE undertook a survey in July 2004 to identify current practices to ensure internal financial control over expenditure approvals within central government institutions in the European Union. This Paper sets out the results and aims to provide further details and explanations on the two main approaches currently adopted.



Consultation on Future Priorities for the Action Plan on Modernising Company Law and Enhancing Corporate Governance in the European Union

Comment Letters – April 2006

FEE welcomed the consultation on priorities for the Action Plan on 'Modernising Company Law and Enhancing Corporate Governance in the EU' of May 2003 and the recognition that the environment of 2006 was different from the one in which the Action Plan was developed.

Financial Reporting: Convergence, Equivalence and Mutual Recognition

Position Paper – March 2006

The FEE Position Paper on 'Financial Reporting: Convergence, Equivalence and Mutual Recognition' analyses and discusses recent developments in financial reporting standards at policy level, following a FEE seminar in December 2005 on the same theme.

Survey on Implementation of the EU Recommendation on Independence

FEE Survey – March 2006

This FEE Survey found that the principles-based approach to auditor independence as set out in the EU Recommendation on Independence is now widely used throughout Europe. The Survey of FEE Member Bodies covers the status of implementation of the EU Recommendation of Independence in the then 25 EU Member States and in Norway as at 1 January 2006. It found that over three quarter of EU Member States have now adopted the principles of the EU Recommendation on Independence.

Accrual Accounting for More Effective Public Policy

FEE Alert – February 2006

FEE's Alert provided an overview of a key issue for the public sector, namely accrual accounting. Many governments in Europe and worldwide are adopting accrual accounting and the European Commission has recently completed a project to introduce accrual accounting for its own financial statements from 2005 onwards.

In addition FEE published several [Comment Letters](#) to different International Standard Setters.

Acronyms in the FEE Annual Report 2006

Please note that there is a FEE Glossary explaining acronyms at www.fee.be.

FEE MEMBER BODIES

Austria

Kammer der Wirtschaftstreuhänder (KWT)
www.kwt.or.at

Institut Österreichischer Wirtschaftsprüfer (IWP)
www.iwp.or.at

Belgium

Institut des Experts-Comptables et des Conseils Fiscaux (IEC),
Instituut van de Accountants en de Belasting-
consulenten (IAB)
www.iec-iab.be

Institut des Réviseurs d'Entreprises (IRE),
Instituut der Bedrijfsrevisoren (IBR)
www.ibr-ire.be

Bulgaria

Institute of Certified Public Accountants in Bulgaria
www.ides.bg

Cyprus

Institute of Certified Public Accountants of Cyprus (ICPAC)
www.icpac.org.cy

Czech Republic

Komora Auditoru Ceske Republiky (KACR)
www.kacr.cz

Denmark

Foreningen af Statsautoriserede Revisorer (FSR)
www.fsr.dk

Estonia

Estonian Board of Auditors
www.auditorkogu.ee

Finland

KHT-Yhdistys
www.kht.fi

Finnish Registered Association of HTM-Auditors
(HTM – Tilintarkastajat RY – GRM – Revisorer RF)
www.htm.fi

France

Compagnie Nationale des Commissaires aux Comptes (CNCC)
www.cncc.fr

Institut Français des Experts-Comptables (IFEC)
www.ifec.fr

Ordre des Experts-Comptables (OEC)
www.experts-comptables.fr

Germany

Institut der Wirtschaftsprüfer (IDW)
www.idw.de

Greece

Soma Orkoton Elegton Logiston (SOEL),
www.soel.gr

Hungary

Magyar Könyvvizsgálói Kamara (MKVK)
www.mkvk.hu

Iceland

Félag Löggiltra Endurskodena (FLE)
www.fle.is

Ireland

Institute of Chartered Accountants in Ireland (ICAI)
www.icaireland.ie

Institute of Certified Public Accountants in Ireland (ICPAI)
www.cpaireland.ie

Israel

Institute of Certified Public Accountants in Israel (ICPA)
www.icpas.org.il

Italy

Consiglio Nazionale dei Dottori Commercialisti (CNDC)
www.cndc.it

Consiglio Nazionale dei Ragionieri e Periti Commerciali (CNRPC)
www.consrag.it

**Latvia**

Latvian Association of Certified Auditors (LACA)
www.lzra.lv

Lithuania

Lithuanian Chamber of Auditors
www.lar.lt

Luxembourg

Institut des Réviseurs d'Entreprises (IRE)
www.ire.lu

Ordre des Experts-Comptables (OEC)
www.oec.lu

Malta

The Malta Institute of Accountants (MIA)
www.miamalta.org

Monaco

Conseil de l'Ordre des Experts-Comptables de Monaco (COECM)

Netherlands

Koninklijk Nederlands Instituut van Registeraccountants (NIVRA)
www.nivra.nl

Norway

Den norske Revisorforening (DnR)
www.revisornett.no

Poland

Krajowa Izba Biegłych Rewidentów (KIBR)
National Chamber of Statutory Auditors
www.kibr.org.pl

Portugal

Ordem dos Revisores Oficiais de Contas (OROC)
www.oroc.pt

Romania

Corpul Expertilor Contabili si Contabililor Autorizati din Romania (CECCAR)
www.ceccar.ro

Slovak Republic

Slovenská Komora Auditorov (SKAu)
www.skau.sk

Slovenia

Slovenski Institut za Revizijo (SIZR)
www.si-revizija.si

Spain

Instituto de Censores Jurados de Cuentas de España (ICJCE),
www.icjce.es

Sweden

FAR-SRS
www.farsrs.se

Switzerland

Treuhand-Kammer, Chambre Fiduciaire
www.treuhand-kammer.ch

United Kingdom

The Association of Chartered Certified Accountants (ACCA)
www.accaglobal.com

Chartered Institute of Management Accountants (CIMA)
www.cimaglobal.com

Chartered Institute of Public Finance and Accountancy (CIPFA)
www.cipfa.org.uk

Institute of Chartered Accountants in England and Wales (ICAEW)
www.icaew.co.uk

Institute of Chartered Accountants of Scotland (ICAS)
www.icas.org.uk

FEE SECRETARIAT CONTACT



Olivier Boutellis-Taft
Chief Executive

+32 2 285 4085
obt@fee.be



Sabine Leurart
Secretarial Support

+32 2 285 4073
sabine.leurart@fee.be



Henri Olivier
Secretary General

+32 2 285 4085
henri.olivier@fee.be



Loraine Diamond
Secretarial Support

+32 2 285 4070
loraine.diamond@fee.be



Saskia Slomp
Technical Director

+32 2 285 4085
saskia.slomp@fee.be



Sylvie Romancide
Secretarial Support

+32 2 285 4078
sylvie.romancide@fee.be



Hilde Blomme
Director of Practice Regulation

+32 2 285 4085
hilde.blomme@fee.be



Elizabeth Fox
Secretarial Support

+32 2 285 4084
elizabeth.fox@fee.be



Corinne Soubies
Senior Project Manager

+32 2 285 4080
corinne.soubies@fee.be



Liese-Lotte Billiet
PA to Chief Executive

+32 2 285 4083
llb@fee.be



Chiara Pisano
Project Manager

+32 2 285 4075
chiara.pisano@fee.be



Mélanie Herfurth
Secretarial Support & Reception

+32 2 285 4085
melanie.herfurth@fee.be



Michael Sotiriou
Communications Manager

+32 2 285 4072
michael.sotiriou@fee.be



Avenue d'Auderghem 22-28
B - 1040 Bruxelles
Belgium

Tel: +32 2 285 40 85
Fax: +32 2 231 11 12

E-mail: secretariat@fee.be

Visit our website
www.fee.be





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