



Federation of European Accountants

European Commission,
DG GROWTH
BREY 13/092
B - 1049 Brussels

Sent by email:
GROW-E1@ec.europa.eu

Brussels, 14 July 2016

Subject: Public consultation on the 'Proposal to introduce a services passport and address regulatory barriers in the construction and business services sectors'

Dear Sir or Madam,

The Federation of European Accountants is pleased to provide you with its comments on the consultation on the 'Proposal to introduce a services passport and address regulatory barriers in the construction and business services sectors'. Since the consultation questions are rather targeted at individual service providers, we as a European association federating national institutes of accountants have chosen to provide some general views via a comment letter.

The Commission's initiative on a Single Market Strategy is an important step to unlock the full potential of the possibility to provide services within the whole EU. Removing barriers to operate in another Member State can help to enhance the Single Market for services.

We understand that the consultation is aimed at accountancy services other than statutory audit. The provision of statutory audit services is regulated at EU level via the [EU Audit Directive](#) and the [EU Audit Regulation](#).

For professionals providing accountancy services other than statutory audit, the situation to operate cross-border on a temporary basis or when establishing in another country is generally complex because of:

- the wide range of activities carried out by professional accountants,
- differences in Member States' rules on the pursuit of those activities and
- the existence of different regulatory approaches and market access rules at Member State level.

Member States might regulate the provision of accountancy services (other than statutory audit) for the purpose of quality assurance, consumer protection, and the public interest. They might also allow the consumer to choose between a regulated or non-regulated service provider. In the latter case of no market access rules, FEE member bodies provide appropriate qualifications, broader assistance and in some cases quality assurance monitoring. Therefore, the removal of qualification and/or registration requirements is generally not appropriate. We understand however that the matter of regulated professions is subject to [another EC initiative](#) and not addressed in this consultation.

In general, administrative burdens should be reduced. Accountancy firms and individual professionals would benefit from a reduction in complex and lengthy procedures to establish in other Member States where these problems exist. Electronic options to complete administrative procedures within a single pan-European workflow could be helpful. In this regard, the introduction of services passports for accountancy firms who want to establish in another Member State with market access rules could contribute to a reduction of bureaucracy. However, any attempt should be opposed to introduce via a services passport the country of origin principle “through the backdoor”.

Furthermore, certain regulatory restrictions could be addressed. Multi-disciplinary restrictions and legal form requirements can for example be perceived as barriers and should therefore be removed. Many professionals of other disciplines, e.g. lawyers or business consultants or IT experts are also working in accountancy firms. Since they have a direct interest in the quality of the service, they should have the possibility to become partner in an accountancy firm.

However, shareholding and voting rights requirements are for some type of accountancy services important to avoid the possibility of controlling shareholders seeking short term gains. For such type of accountancy services, external ownership should be limited so that professional accountants and professionals from similar disciplines (see above) remain in control of an accountancy firm.

Equally, specific requirements are justified in jurisdictions without obligatory market access rules, where professional providers need to make clear to consumers and the general public that they are bound by professional body requirements.

Mandatory professional indemnity insurance for professional accountants is essential for the protection of consumers and service providers. Measures facilitating insurance coverage in cross-border situations would thus be helpful.

Nevertheless, the major obstacle to cross-border activities and movement of accountants and accountancy firms are still the differences in company law, social security law, tax regimes and language.


For further information on this letter, please contact Petra Weymüller on +32 (0)2 893 33 75 or via e-mail at petra.weymuller@fee.be.

Kind regards,

On behalf of the Federation of European Accountants,



Petr Kriz
President



Olivier Boutellis-Taft
Chief Executive

About the Federation of European Accountants

The Federation of European Accountants represents 50 professional institutes of accountants and auditors from 37 European countries, with a combined membership of over 875,000 professional accountants working in different capacities. As the voice of the European profession, the Federation recognises the public interest.

The Federation is in the EU Transparency Register (No 4713568401-18).