



Federation of European Accountants
Fédération des Experts comptables Européens

Factsheet

Standing for trust and integrity



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Recognition of Professional Qualifications in another EU Member State

Recognition of professional qualifications obtained in another EU Member State is essential to establish an internal market for professional services.

The regime governing the recognition of professional qualifications based on [Directive 2005/36/EC](#) has been modernised with [Directive 2013/55/EU](#) of 20 November 2013. The revised Professional Qualifications Directive (PQD) will have to be transposed by all EU Member States by 18 January 2016.

FEE has [contributed](#) at all stages of the process, regarding both the implementation of the previous Directive and its revision.

In which cases do professional qualifications need to be recognised?

The PQD covers more than 800 professions and is generally applicable for accountants. For accountants providing statutory audit services (auditors), there are measures and additional requirements in the [Statutory Audit Directive](#), which prevail or complement the rules.

The PQD covers two cases of mobility:

- A professional wants to establish his/her practice in another Member State or
- A professional wants to carry out services temporarily or occasionally in another Member State (without establishment).

In the first case, the professional's qualification needs to be recognised by the competent authority in the host Member State, if the profession is regulated in that Member State. Regulated means that the access to or the pursuit of a professional activity in this Member State are subject to the possession of specific professional qualifications. Generally, Member States are free to regulate the provision of accountancy services or not. Only as far as statutory audit services are concerned, Member States need to regulate the profession in compliance with the Statutory Audit Directive.

In the second case, the professional may need to inform the competent authority in the host Member State with a so-called prior declaration (if such declaration is required in the relevant Member State), but a recognition of the professional qualification is not required.

The PQD regime is not applicable if the services are provided online without physical movement of the professional to another Member State, for example if the services are carried out in the form of advice via email or in the form of automated services via online access to the client's business data.

How does recognition of professional qualifications work?

If a professional wants to establish his/her practice in another Member State where the profession is regulated, his/her qualification needs to be recognised.

The migrant professional has to provide evidence about his/her qualifications or competence to the competent authority in the host Member State. A professional coming from a Member State where the profession is regulated needs to provide a certificate of formal qualification. A professional coming from a Member State where the profession is not regulated needs to provide evidence that he/she has pursued a certain profession for at least one year.

The competent authority in the host Member State has to recognise the professional qualification but can ask for a so-called compensation measure if the training (education) or the professional activities are substantially different between the home and host Member State. If this is the case, they have to offer the choice between an aptitude test and an adaptation period of up to three years. For auditors, Member States can prescribe either an aptitude test or an adaptation period.

In addition to the above general requirements, auditors need be approved and registered in the host Member State.

The European Commission runs a [database](#) containing information about regulated professions and competent authorities across the EU.

Is education similar across the EU?

Education for auditors is similar across the EU because the Statutory Audit Directive prescribes the education requirements.

Education of accountants is not harmonised in the EU; Member States are free to choose whether to regulate the profession or not. National regulators or professional institutes may refer to [International Education Standards](#) when they regulate the profession or are involved in the provision of education services.

The revised PQD allows for so-called common training frameworks and tests to be set up. The European Commission can introduce them if professional bodies from at least one third of the Member States (= currently 10) propose it.

A common training framework would be based on a common set of knowledge, skills and competences necessary to pursue a profession. Qualifications obtained under such common training frameworks would automatically be recognised in the other participating Member States without an aptitude test or adaptation period.

So far, there are no common training frameworks for accountants. Private initiatives, such as the [Common Content Project](#), (which covers only 6 countries) do not currently qualify for common training frameworks.

What about training abroad?

If an aspiring accountant has carried out a period of training in another Member State, this part of his/her training needs to be recognised in the home Member State, if the profession is regulated and requires a professional traineeship. Member States in which the accountancy profession is regulated are free to limit the duration of the part of the professional traineeship which can be carried out abroad.

Aspiring auditors can – according to the Statutory Audit Directive – carry out two thirds of the whole traineeship in another Member State.

Is language an issue?

After having recognised a professional qualification, the competent authority may check the language skills of a professional.

However, in cases where an aptitude test is required, it is usually necessary to know the language beforehand as the aptitude test is generally offered in the national language(s).

Is there a European professional card?

The revised PQD offers the possibility of a professional card which is an electronic certificate issued by the professional's home country. A professional card would make the process for recognition of qualifications much easier and faster; it would not, however, change the requirements as such.

A professional card cannot be introduced automatically for the various professions. It could only be introduced if the European Commission receives signals of clear interest from professionals, national authorities and businesses.

At present, no such professional card exists for accountants or auditors.

Is partial access to the profession possible?

Generally, professional qualifications can only be recognised if they have an equivalent.

However, there are cases where the activities concerned are part of a profession with a larger scope of activities in the host Member State. If the differences between the fields of activity are so large that in reality a full programme of education and training would be required, the host Member State may under certain circumstances grant partial access to the profession.

Will there be changes in future?

The new Statutory Audit Directive, after completion of its revision agreed on by European Union institutions in trilogue in December 2013, will not lead to changes regarding education and qualification for auditors.

However, the European Commission has launched a mutual evaluation exercise on regulated professions in general. As a first step, Member States will have to provide the European Commission with a list of their regulated professions and the activities reserved for them, and will have to justify the need for regulation.

It appears that the ultimate aim of the evaluation exercise would be to reduce the number of regulated professions. This would ultimately reduce the applicability of the Professional Qualifications Directive, paving the way for Member States to introduce their own rules regarding recognition of professional qualifications.

About FEE

FEE (Fédération des Experts-comptables Européens – Federation of European Accountants) is an international non-profit organisation based in Brussels that represents 48 institutes of professional accountants and auditors from 36 European countries, including all of the 28 EU member states.

FEE has a combined membership of more than 800.000 professional accountants, working in different capacities in public practice, small and large accountancy firms, businesses of all sizes, government and education – all of whom contribute to a more efficient, transparent and sustainable European economy.

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