

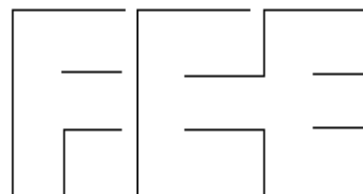
Date  
25 July 2005

Le Président

Fédération  
des Experts  
Comptables  
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AISBL

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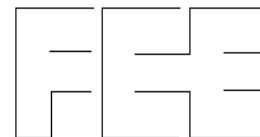
Mr. Charlie McCreevy  
Commissioner  
European Commission  
Rue de la Loi 200  
1049 Brussels  
Belgium



Dear Commissioner,

**Re: Green Paper on Financial Services Policy (2005 – 2010)**

1. FEE (Fédération des Experts Comptables Européens – European Federation of Accountants) welcomes the Green Paper on Financial Services Policy and supports the overall objectives of consolidating progress towards an integrated, open, competitive and economically efficient European financial market with free circulation of services capitals with consequent levels of control. We also support the better regulation strategy of enforcing and continuously evaluating the existing legislation working towards supervising convergence and strengthening European influence in global financial markets.
2. Ensuring effective implementation into national legislation and effective enforcement with continuous expert evaluation are cornerstones in this strategy. Market participants together with regulators have an important role in this process whereby additional regulation should be avoided. We also welcome the focus on continuous ex-post evaluation with careful monitoring of the application of rules in practice and their impact on the European financial sector, including consideration of transitional problems in particular in the period 2005-2007. We recommend at the same time though that the markets are given some time to accommodate to new requirements before the Commission starts to draw conclusions from ex-post evaluation.
3. We welcome the expressed intention of the EC to amend or withdraw existing legislation if it proves not to provide the expected economic benefits. A clear business and public interest case must be made for formal regulation rather than allowing the financial sector participants, in collaboration with regulators and other interested parties, to adopt the necessary changes as a reflection of "improved/better practice".
4. We in general support the statement that no additional complexity should be added to EC proposals by EP and Council of Ministers. We agree that "gold plating" by Member States should be avoided. Adding layers of regulatory additions beyond the Directives themselves by Member States should be kept to a minimum.
5. We especially welcome the continued intention of open and transparent consultation at all levels. We believe an extensive involvement of market participants and other stakeholders is vital.
6. We appreciate the recognition that complementary policy areas (such as corporate governance, company law reform, accounting and statutory auditing) are of immense importance in building confidence and transparency in European financial markets. It is essential to achieve one influential coordinated European view on financial reporting issues in order to provide input to the IASB and to participate as Europe in the convergence project between IASB and FASB.



7. We have appreciated and have been active in contributing to the report on progress towards achieving the objectives of the Lamfalussy by the Inter-Institutional Monitoring Group and welcome the establishment of a new group with a mandate expanded to cover banking, insurance and occupational pensions as well as securities law.
8. Although we appreciate the recent agreement between the EC and the SEC on a roadmap towards equivalence and the intention of working towards equivalence/convergence between IAS and US GAAP as an important theme, we wish to underline that whether convergence should be the highest priority in financial reporting needs careful consideration. Establishing one influential coordinated authoritative European view on financial reporting to influence IASB is of the highest priority and essential in concentrating the priorities with the IASB work programme and in obtaining the right for Europe to participate in the convergence project between IASB and FASB.

We would be pleased to discuss with you and your staff any aspect of this letter which you may wish to raise with us.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Devlin', written in a cursive style.

David Devlin  
President