



Fédération des Experts  
Comptables Européens

# Press Release

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## Now is the time to limit auditors' liability say European Accountants

*Support for reform enables Commission and Member States to secure sustainability and stability of capital markets allowing a transparent and competitive environment for the audit profession.*

**Monday 18 June 2007:** On the occasion of the Commission's release today of a summary of responses to an earlier consultation on reform of auditors' liability, FEE President Jacques Potdevin said: "*The status quo is not a policy for today's changing global capital market and certainly not a way to foster EU integration, competition and competitiveness. FEE is concerned by the long term stability of markets and the ability of the audit profession to continue operating in a sustainable, healthy and competitive way.*"

FEE praises the Commission for its balanced and prudent approach towards the issue and for informing the debate by the results of an independent study conducted by the consultant Firm London Economics followed by the public consultation.

The public consultation shows an encouraging level of support in favour of a reform of auditors' liability. In addition, a growing number of Member States measure the importance of the issue and took, or are taking, the necessary steps to limit auditors' liability in their jurisdictions using either a cap on liability or proportionate liability.

Under this context, FEE would like to encourage all relevant stakeholders, and in particular those opposing reform, to carefully review the facts and the findings of the London Economics study.

Since limiting auditors' liability is a necessity for the proper and sustainable functioning of the European Internal Market for capital, FEE urges the EC to issue a Recommendation in this respect and all Member States to limit auditors' liability in a way that accommodates their different legal systems.

It is high time to start acting now that the momentum is here, and not wait for a crisis to arise. Ignorance of facts may obstruct further modernisation of EU capital and audit markets. This becomes more important given the uptake of the debate in the US and the need to facilitate the entry of mid-tier firms on the audit market of large listed companies.



More details, including a Facts Sheet on auditors' liability, can be found on [www.fee.be](http://www.fee.be).

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About FEE:

The European Federation of Accountants/ Fédération des Experts Comptables Européens (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.

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