



Federation of European Accountants
Fédération des Experts comptables Européens

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FEE calls for a new approach to setting global financial reporting standards

Convergence should no longer be a key driver

Brussels, 17 July 2009 – FEE (Fédération des Experts comptables Européens – Federation of European Accountants) issues a policy statement on financial reporting. Confirming its views that a single set of global accounting standards is needed, FEE explains why convergence should no longer be a key driver in the financial reporting debate.

The IASB's convergence strategy has delivered good results since the IASB was created in 2000 and was appropriate during that period. Many countries have now either adopted IFRS in full or have substantially reduced the differences between IFRS and their national standards. The convergence project has been instrumental in eliminating the reconciliation requirement between IFRS and US GAAP and in advancing the objective of IFRS adoption in the US.

FEE believes, however, that we are now in a period of diminished returns from further convergence due to the rapid increase in complexity, without hardly any additional benefit to investors that arises when seeking to eliminate increasingly smaller differences between IFRS and other standards.

The IASB should now change its strategy and concentrate exclusively on major improvements and simplifications in IFRS over the medium term. To this end, it should work together with standard setting bodies from around the world, so that all stakeholders can be fully engaged and ensure that the quality of IFRS is not compromised.

Hans van Damme, FEE President, emphasised that "FEE believes that the G20 should urge the IASB to use all existing high quality accounting standard setting expertise from around the world, including those within FASB and EFRAG, to work together on new global solutions in those areas that really matter to investors. A joint development and parallel implementation by all stakeholders of new principles-based global standards is the best way forward to develop high quality standards and to deliver a level playing field."



Mark Vaessen, Chairman of the FEE Financial Reporting Policy Group, underlined that: “The existing model of convergence is no longer sustainable. The development of new financial reporting standards should go beyond the thinking under existing national standards. Developing new standards and making improvements to existing standards should be guided by a work plan that sets clear priorities and that justifies the need for changes. Although there should be continuous improvement of standards, improvements made must be measured in cost-benefit terms. In other words, improvements should be made only in areas that really matter.”

FEE believes that countries and markets are best served by high quality financial information and that this is best delivered by a single independent global standard setter for accounting and corporate reporting.

– ENDS –

NOTES FOR EDITORS

1. The policy statement can be downloaded from the FEE website:
http://www.fee.be/publications/default.asp?library_ref=4&content_ref=1084
2. FEE already issued policy statements including on the financial and economic crisis, sustainability and audit and assurance. These policy statements can be downloaded from the FEE website:
http://www.fee.be/publications/default.asp?library_ref=4&category_ref=235&private=False

About FEE

FEE (Fédération des Experts comptables Européens – Federation of European Accountants) represents 43 professional institutes of accountants and auditors from 32 European countries, including all of the 27 EU Member States.

In representing the European accountancy profession, FEE recognises the public interest. It has a combined membership of more than 500.000 professional accountants, working in different capacities in public practice, small and big firms, government and education, who all contribute to a more efficient, transparent, and sustainable European economy.

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