



Mr. Jürgen Tiedje
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Ref.: QMA/HvD/PWE

Dear Mr. Tiedje,

Re: Evaluation of the Directive 2005/36/EC on the recognition of professional qualifications (RPQ Directive)

- (1) FEE (the Federation of European Accountants) is grateful to the European Commission for giving it the opportunity to contribute to the meeting of the European Commission with European professional associations on Wednesday, 17 March 2010 and to the evaluation of the Directive on recognition of professional qualifications. We very much appreciate the European Commission's activities regarding the recognition of professional qualifications and welcome the information and guidance on how EU rules work in practice.¹
- (2) We are pleased to provide some brief comments around the recognition of professional qualifications for the accountancy profession as far as activities other than statutory audit are concerned.
- (3) For further detailed information we refer to the FEE paper on *Internal Market for Services and the Accountancy Profession: Qualifications and Recognition*,² published in November 2007, that provides an analysis of the application of EU rules in the Accountancy sector. FEE has also contributed to the discussions around the recognition of professional qualifications and organised the *FEE Roundtable on Qualifications and Recognition* on Tuesday, 17 June 2008.³

¹ For example the User Guide Everything you need to know about the recognition of professional qualifications – 66 questions, 66 answers published in December 2009

² http://www.fee.be/publications/default.asp?library_ref=4&content_ref=761

³ Summary available at http://www.fee.be/news/default.asp?content_ref=848&library_ref=2

- (4) The European Commission's non paper *Evaluation the Professional qualifications directive – Possible list of main topics*, that served as basis for the discussions during the meeting on 17 March 2010, comprises a **list of very important questions**. For the accountancy profession, the questions 1.2 *Temporary mobility*, 1.3 *Recognition procedure in case of migration on a permanent basis (establishment)*, 1.6 *Recognition of third country qualifications*, 1.7. *Administrative cooperation*, 2.2 *Education and 3. Contributions of professional bodies* could be considered as priorities. However, we do not currently have sufficient information to assess how the Directive was implemented and applied in practice in Member States.
- (5) It is however evident that the impact on the accountancy profession differs from Member State to Member State given the **different regulatory approaches and market access rules** in relation to the profession's activities.⁴
- (6) A regulated profession in the host Member State can for example comprise one or more regulated professional activities which do not exist in the corresponding profession in the applicant's home Member State. Such differences may result in specific training which is required in the host Member State and which covers substantially different matters from those covered by the applicant's attestation of competence or evidence of formal qualifications.⁵
- (7) The RPQ Directive in principle presumes that a profession, which the applicant wishes to pursue in the host Member State, is the same one as the one for which he is qualified in his home Member State. Therefore, the situation regarding recognition of accountants can be very complex.
- (8) As far as **compensation measures** mentioned in the RPQ Directive are concerned, FEE strongly supports the use of an aptitude test over that of an adaptation period as the most efficient mechanism to enable applicant migrant professionals to obtain the host country qualification in the least onerous way possible for the migrant.⁶
- (9) A particularly challenging situation might occur in very exceptional circumstances, where compensation measures are so extensive that they would in effect amount to requiring the migrant concerned to complete an entire programme of education and training. In such a case the host Member State might consider restricting the scope of practice of the applicant in the host Member State to activities for which the applicant has the required host Member State qualification. Taking into account the ECJ ruling in the case of *Collegio de Ingenieros*,⁷ FEE questions the possibility that

⁴ The FEE study *Provision of Accountancy, Audit and Related Services in Europe* published in December 2005 reviews the different activities that are usually carried out by professional accountants and shows the variety of situations across Member States. http://www.fee.be/publications/default.asp?library_ref=4&content_ref=539

⁵ See page 44, para. 110 of the FEE paper on *Internal Market for Services and the Accountancy Profession: Qualifications and Recognition*, November 2007

⁶ See page 42, para. 102 of the FEE paper on *Internal Market for Services and the Accountancy Profession: Qualifications and Recognition*, November 2007

⁷ Judgment of 19 January 2006, C-330/03, *Collegio de Ingenieros v. Administration del Estado* ECR

such **partial recognition** resulting in the use of the home country title could be relevant to activities that are not statutory audit.⁸

- (10) Further to the information provided by the European Commission in the meeting on 17 March 2010, all Member States have now made use of the option to ask for a written declaration before a service provider provides cross-border services in another Member State. During the *Roundtable on Qualifications and Recognition* that FEE has organised on 17 June 2008⁹ and which was attended by 61 representatives from the European Commission, Member State governments and licensing bodies as well as from FEE Member Bodies, it showed however that this **pro-forma declaration** is not consistently interpreted in the Member States. This situation might lead to barriers in the internal market that should be closely monitored.
- (11) FEE's view regarding **common platforms** as defined in the RPQ Directive is, that it is currently very difficult to apply for the accountancy profession, given the wide variation in scope of activities of professional accountants in Europe, as well as the differences in national company law and tax law. As a distinct initiative from the common platforms in the Directive, a number of FEE Member bodies are working closely together in the Common Content Project,¹⁰ which seeks to unify, to the highest extent possible, the professional entry-level qualifications of the participating Institutes.

For further information on this subject, please contact Petra Weymüller from the FEE Secretariat.

Yours sincerely,



Hans van Damme
FEE President

⁸ See page 45, para. 111 and page 49 of the FEE paper on *Internal Market for Services and the Accountancy Profession: Qualifications and Recognition*, November 2007

⁹ Summary available at http://www.fee.be/news/default.asp?content_ref=848&library_ref=2

¹⁰ <http://www.commoncontent.com/>