



**ACCOUNTANCY
EUROPE.**



**ANNUAL
REPORT**



REFLECTIONS



2021: THE YEAR OF SUSTAINABILITY



Myles Thompson, President - Olivier Boutellis-Taft, CEO

Looking back, I realise how particularly busy this year was for all of us. As expected, the European Commission (EC) launched several legislative proposals affecting the accountancy profession. Although it may be difficult to assess which one was the most important, 2021 was certainly the year of sustainability. I am proud to say that the accountancy profession was among the first to advocate for keeping sustainability high in the political agenda while supporting a green recovery. Climate change and environmental degradation are ticking bombs. Despite the difficulties we are going through, we should not forget that our own existence depends on the environment. In 2021, we have built the basis for improving the transparency of companies' activities and impact on their external environment. I look forward to my second year as President. The environmental agenda will continue to be important along with the upcoming EC initiative on corporate reporting.

Myles Thompson

Accountancy Europe President 2021-2022

In 2021, Accountancy Europe continued to work under challenging conditions that COVID has introduced to our business and personal lives. Even so, the team and Members have kept the quality of our work high. This year we managed to organise 25 online events, issued 24 publications of great relevance to the EU agenda, replied to 22 public consultations, and organised 99 Expert Group meetings. But it is not only the numbers that indicate our success, it is the intangibles that showcase our progress: the team's and Members' dedication, the outcome of productive conversations on crucial files such as the sustainability one, and the positive engagement with decision makers. After more than 30 years of operation, I believe Accountancy Europe has managed to show that the accountancy profession is relevant, not only for financial matters, but also policy areas that matter for society and the world.

Olivier Boutellis-Taft,

Accountancy Europe Chief Executive

2021

THE YEAR IN NUMBERS

25 

events

24 

publications

22 

consultation responses

21 

blogs, articles & podcasts

MEMBERS

12

Board meetings

3

Members' Assemblies

5

exclusive webinars

28

editions of Members' News & The Insider

99

Expert Group meetings

653

Expert Group participants



 **EVENTS**

12
joint events

2310
participants

116
speakers

13
partner
organisations

 **COMMUNICATIONS**

38
speaking
engagements

314
interactions
with the media

13%
increase
in Twitter
followers

26%
increase in
LinkedIn
followers

18K
website visits
per month

 **PUBLIC AFFAIRS**

98
meetings with industry
& other stakeholders

54
meetings with EU
representatives

35
policy
updates





ACTIVITIES

INTRODUCTION

The Members' Assembly debates the priorities that guide our work and approves the strategy of the organisation every two years. For 2021-2022, our strategic priorities were: small and medium-sized enterprises (SMEs), reporting, audit & assurance, sustainability, and corporate governance. Having a unified European voice on these topics helps advance and strengthen the accountancy profession in Europe. These priorities are reinforced by also looking at horizontal issues and markets: financial services, public sector, technology, professional practices & ethics, and tax.

Enhancing the profession's relevance and reputation is the main way we serve our Members. This takes many forms: consultation responses, publications (position papers, factsheets), thought leadership projects (known as our Cogito series), direct engagement with stakeholders, communications pieces (blogs, policy updates, podcasts), or organisation of events. These projects result from the collaboration between the Board, Expert Groups composed of Member volunteers, and the Team.

2020-2021 STRATEGY



SMES



REPORTING



**AUDIT &
ASSURANCE**



SUSTAINABILITY



**CORPORATE
GOVERNANCE**



**FINANCIAL
SERVICES**



**PUBLIC
SECTOR**



TECHNOLOGY



**PROFESIONAL
PRACTICE &
ETHICS**



TAX



Certainly the word of the year, and those to come, sustainability is at the heart of the EC agenda. Through our work, Accountancy Europe has made the accountancy profession a significant and trusted partner in this area. This year we closely followed developments related to the Corporate Sustainability Reporting Directive (CSRD), green bonds, the EC's sustainable finance strategy, and taxonomy.

We welcomed the EC's proposal for the CSRD to strengthen sustainability reporting. It requires companies to share more targeted, relevant, reliable, and easily accessible information as the basis for sustainable decision-making. In our feedback statement, we commented in particular on the following elements: scope, sustainability reporting standards, SMEs, assurance and related standards, and digitalisation. To contribute to the debate, we held a virtual roundtable on the proposal with the World Benchmarking Alliance (WBA) and issued FAQs on sustainability information assurance.

The EC issued a proposal for an EU green bond standard, which we welcomed. Our position paper *Building a credible green bond market* and blog share the profession's views on the topic. We also organised a webinar with speakers including Sven Gentner, former leader of the EC's asset management unit, and Paul Tang, Member of the European Parliament (MEP) (S&D, Netherlands) and rapporteur on the green bond file.

We provided feedback on the *EU Taxonomy Article 8 draft delegated act*. In this feedback, we noted that implementation and interpretation guidance were required, and that a consistent application of the rules will be essential. In a letter to the EC and Chairman of the EU Platform on Sustainable Finance, we called on the EC to create a formal mechanism in addition to the EU Platform on Sustainable Finance to deal with interpretation issues.





We put SMEs at the heart of our strategy and promote policies that advance SMEs in a rapidly changing post-COVID environment. To do so, we have continued to strengthen our partnerships with key organisations, such as SMEunited, the European Association of Co-operative Banks (EACB), EU Digital SME Alliance and the European Union Intellectual Property Office (EUIPO). We also actively engaged with policymakers to position Accountancy Europe as a crucial player on this topic.

Sustainability and digitalisation are both high on the EU's agenda. We organised a webinar to help SMEs deal with non-financial information (NFI) reporting and co-issued with EACB a tool to help SMEs start building their sustainability profile. We also hosted a webinar on the opportunities and challenges of digitalisation.

We continued to work on our risk management series launched in 2020 and issued a publication to support the accountants in their work to mitigate their clients' insolvency risks. Our related hybrid conference featured, among others, EU Commissioner Didier Reynders (DG JUST) as speaker. Together with ten associations, we also released a joint statement on the need for dialogue on SMEs' post-COVID financial situation.

On SME audit, we co-hosted a webinar with the International Auditing and Assurance Standards Board's (IAASB) on their newly proposed standalone auditing standard for less complex entities (LCEs).

We pursued our collaboration with EUIPO, which launched a training programme for small and medium-sized practices (SMPs) to help their SME clients with intellectual property rights.

SME initiatives

6

publications

9

consultation
response

7

events

5

articles &
podcasts

SME accountants

1 in 3 practitioners in
our Expert Groups and
Board come from SMEs



REPORTING

Reporting refers to both financial and non-financial reporting of all entities. Especially in a world where sustainability is of increasing concern, Accountancy Europe's work aims to address markets' and society's demands for more relevant and transparent information.

Accountancy Europe welcomed the EU's progress towards sustainability reporting standards, and actively contributed to developments in this area. As per the EC's proposal for the CSRD, the EU will mandate the application of European sustainability reporting standards, to be applied via delegated acts upon the technical advice of the European Financial Reporting Advisory Group (EFRAG). We shared our views on cooperation between the future sustainability standard-setting bodies at EFRAG and the International Financial Reporting Standards Foundation (IFRS). In our feedback to the IFRS on the establishment of an International Sustainability Standards Board (ISSB), we commented on the need for an interconnected approach, robust governance and due process, and adequate funding.

We continue to closely follow and be involved in EFRAG's financial reporting pillar work, and are represented at its Board by Olivier Schérer and Elina Peill. EFRAG plays a critical role in providing technical advice to the EC during the IFRS endorsement process in the EU. Notably, we responded to EFRAG's draft endorsement advice on IFRS 17 Insurance Contracts, where we recommended endorsement.

Regarding the International Accounting Standards Board (IASB), we responded to several of its Exposure Drafts, including on the *Management Commentary* and the *Disclosure Requirements in IFRS Standards*. We also responded to the IASB's third agenda consultation, EFRAG's draft comment letter and own proactive research agenda consultation, and co-hosted a webinar in this context. Michael Stewart, Chair of our Accounting Working Party, voiced Accountancy Europe's views.





Auditors bring transparency and credibility to organisations' financial and non-financial information. They are part of an ecosystem needed to avoid and mitigate corporate failures.

To inform the ongoing European audit policy debate, we issued *Audit facts: what you need to know on audit, auditors and supervision*, a set of frequently asked questions clarifying environment auditors work in.

Throughout the year, we pursued our work on the European Single Electronic Format (ESEF) and held several related discussions with the Committee of European Auditing Oversight Bodies (CEAOB). We updated our factsheets on audit exemption thresholds, the implementation of the *2014 EU Audit Directive*,

and the organisation of the public oversight. We also responded to the IAASB survey on its 2022-2023 work plan and welcomed the EC proposal for amending *Directive 2009/138/EC (Solvency II)*.

Finally, our response to the UK Department for Business, Energy and Industrial Strategy (BEIS) consultation *Restoring trust in audit and corporate governance* helped us prepare our feedback to the EC consultation *Corporate reporting – improving its quality and enforcement*. The accountancy profession is a key contributor to find solutions and build a stronger reporting system that benefits society at large. Accountancy Europe is determined to work with its Members and present a united European voice on this matter.





Corporate governance is a new strategic priority for Accountancy Europe and an increasingly prominent item in the EU political agenda. It will play a major role to make sustainability an integral part of all business decisions.

In 2021, we held our first policy group meeting with Members' representatives and responded to the EC's consultation on sustainable corporate governance. The profession is well placed to contribute its expertise and vision. This has been recognised by MEP Heidi Hautala (Greens/EFA, Finland), who joined Olivier Boutellis-Taft, our Chief Executive, for a recorded fireside chat on this topic.

Audit committees can play a role in integrating sustainability as a key topic in corporate governance. We explored their evolving role in a virtual workshop and co-issued a report with the European Confederation of Directors' Associations (ecoDa) and EY.

As part of our involvement in an informal platform on sustainable finance with several other associations and Non-Governmental Organisations (NGOs), we issued a joint statement highlighting the importance of sustainable corporate governance to achieve the objectives of the European Green Deal and the United Nations' (UN) Sustainable Development Goals.



OTHER AREAS OF WORK

The accountancy profession is an active contributor to the **fight against money laundering**. In 2021, Accountancy Europe became a member of the Network of Experts on Beneficial Ownership Transparency (NEBOT), an initiative led by Transparency International and supported by the EC. In preparation for the EC AML package, we issued a paper including recommendations on how to build a more effective anti-money laundering (AML) and how to combat the financing of terrorism (CFT) ecosystem. Discussed at a webinar we organised, our recommendations aim to better implement the existing AML/CFT legislation.

The **public sector** has a major role to play in making the economy more sustainable. We hosted an event bringing together players from the public and private sectors to discuss how Environmental, Social, and Governance (ESG) reporting can be fostered in the public sector. We responded to various International Public Sector Accounting Standards Board's (IPSASB) consultations and continue to be involved in the IPSASB Consultative Advisory Group (CAG). Notably, our initial comments with respect to the IPSASB's convergence project with IAS 26 Pension Funds will be taken into account with the publication of the draft standard in 2022.

Technology has a significant impact on the accountancy profession. We closely followed developments and engaged with stakeholders regarding the Digital Operational Resilience Act (DORA) file. Together with the International Federation of Accountants (IFAC) and the European Federation of Accountants and Auditors for SMEs (EFAA), we co-hosted a Members' webinar on the IFAC digital readiness assessment tool.

Professional ethics are the bedrock of the accountancy profession. Ethical behaviour in business is fundamental for public trust and confidence. We integrate this ethical dimension in all of our work and contribute to the evolution of global standard setting in this area. This year we responded to the International Ethics Standards Board for Accountants' (IESBA) consultation on its 2022-2023 work plan. We also responded to IESBA's proposed revisions to the definitions of listed entity and public interest entity included in the International Code of Ethics.

We are active in the **tax** debate to help the profession reflect on its own role and responsibility in providing tax services. Building on our commitment to the public interest, we consider taxation as a matter for society as a whole. We collaborated with the EC on a factsheet highlighting the main changes to cross-border distance sales and e-commerce. We published two papers on how tax systems could be used to stimulate a sustainable economic recovery after the COVID crisis. We issued *Call for contributions: sustainable tax systems*, and held an online event where experts shared views on how to make tax systems more sustainable.



BECAUSE GREEN RECOVERY COUNTS.

In 2021, the European policy agenda was marked by the recovery from the COVID crisis. The year-long campaign Because Green Recovery Counts allowed us to tie our work together under a recognisable header and make us more visible in the European policy sphere. We chose SMEs, public sector and circular economy as the main topics for this initiative.

The campaign helped strengthen relationships with allies - our messages are much stronger when partners support them. The initiative was supported by the Climate Disclosure Standards Board (CDSB), Frank Bold, Value Reporting Foundation, the European Banking Federation (EBF), the Value Balancing Alliance (VBA) and MEP Heidi Hautala.

As part of this campaign, we produced an animated video to broaden our communication. This format allowed for increased exposure and enhanced engagement.



EXPERT NETWORKS

Accountancy Europe Expert Networks serve as a platform for Member Bodies to learn from each other, share experiences and best practices. These are informal and flexible groups to share new ideas, contribute to strategically important topics, and emphasise the profession's positive contributions. Our Members' communications leaders, for example, come together in Communications Network webinars.

- SME
- Technology
- Young professionals
- Communications



POLICY UPDATES

Most of the regulations that affect the accountancy profession are decided at European level. Through our four monthly policy updates, our Team's experts share intelligence to keep our Members and stakeholders informed on the latest European and international developments.

- Audit
- SME
- Sustainability
- Tax

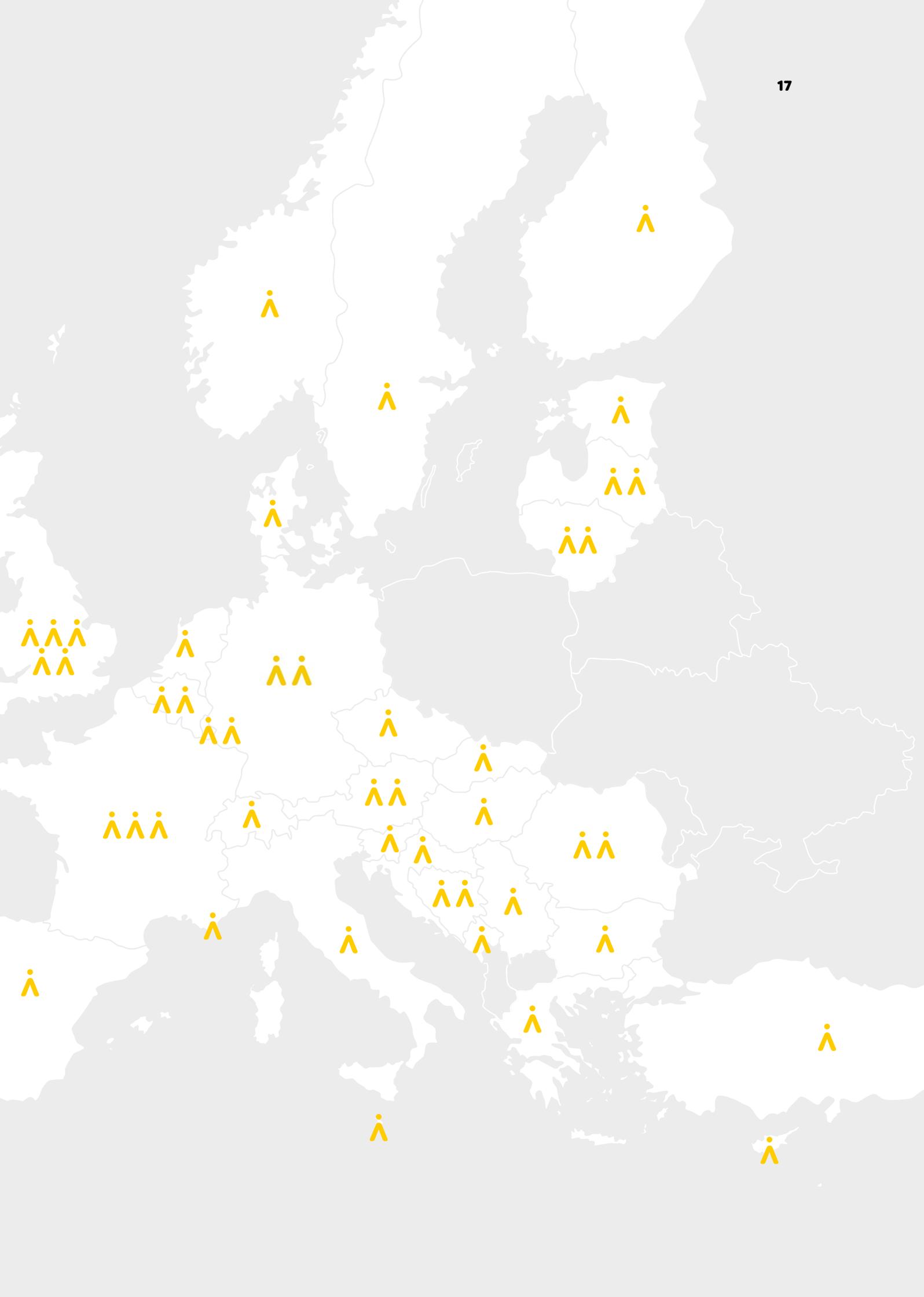


OUR MEMBERS.

50 MEMBERS FROM 35 COUNTRIES

Our Member Bodies send experts from across Europe to Expert Groups that contribute to our projects. Together, our Members also form our highest governance body: the Members' Assembly. The Members' Assembly provides high level guidance to our Board on strategy; it also appoints and supervises the Board.

We connected with Members through four exclusive webinars focusing on timely and strategic technical matters. A highlight of the year, our hybrid Members' Engagement Day focused on the two topics driving the year's agenda: sustainability and audit. Those who could travel greatly enjoyed the opportunity to reconnect in person.



AUSTRIA

Institute of Austrian Certified Public Accountants
www.iwp.or.at
Austrian Chamber of Tax Advisors and Accountants
www.ksw.or.at

BELGIUM

Institute for Tax Advisors and Accountants
www.itaa.be
Institute of Registered Auditors
www.ibr-ire.be

BOSNIA HERZEGOVINA

Association of Accountants and Auditors of the Republic of Srpska
www.srrrs.org
Union of Accountants, Auditors and Financial Workers of the Federation of Bosnia and Herzegovina
www.srr-fbih.org

BULGARIA

Institute of Certified Public Accountants
www.ides.bg

CROATIA

Croatian Audit Chamber
www.revizorska-komora.hr

CYPRUS

Institute of Certified Public Accountants of Cyprus
www.icpac.org.cy

CZECH REPUBLIC

Chamber of Auditors of the Czech Republic
www.kacr.cz

DENMARK

FSR - Danish Auditors
www.fsr.dk

ESTONIA

Estonian Auditors' Association
www.auditorkogu.ee

FINLAND

Finnish Association of Authorised Public Accountants
www.suomentilintarkastajat.fi

FRANCE

Institute of Statutory Auditors
www.cncc.fr
The French National Institute of Accountants and Auditors
www.ifec.fr
The Order of Certified Accountants
www.experts-comptables.org

GERMANY

Institute of Public Auditors in Germany
www.idw.de
Chambers of Public Accountants
www.wpk.de

GREECE

Institute of Certified Public Accountants of Greece
www.soel.gr

HUNGARY

Chamber of Hungarian Auditors
www.mkvk.hu

ICELAND

Institute of State Authorised Public Accountants in Iceland
www.fle.is

IRELAND

Chartered Accountants Ireland
www.charteredaccountants.ie
Institute of Certified Public Accountants in Ireland
www.cpaireland.ie

ITALY

National Board of Professional Chartered Accountants
www.commercialisti.it

LATVIA

Association of Accountants of the Republic of Latvia
www.lrga.lv
Latvian Association of Certified Auditors
www.lzra.lv

LITHUANIA

Lithuanian Chamber of Auditors
www.lar.lt

Lithuanian Association of Accountants and Auditors
www.lbaa.lt

LUXEMBOURG

Institute of Registered Auditors
www.ire.lu

Order of Chartered Accountants
www.oec.lu

MALTA

The Malta Institute of Accountants
www.miamalta.org

MONACO

Chamber of Chartered Accountants of Principality
of Monaco
www.oecm.mc

MONTENEGRO

Institute of Certified Accountants of Montenegro
www.isrcg.org

NETHERLANDS

The Royal Netherlands Institute of
Chartered Accountants
www.nba.nl

NORWAY

The Norwegian Institute of Public Accountants
www.revisorforeningen.no

PORTUGAL

Institute of Statutory Auditors
www.oroc.pt

ROMANIA

Chamber of Financial Auditors of Romania
www.cafrr.ro
The Body of Expert and Licensed Accountants
of Romania
www.ceccar.ro

SERBIA

Serbian Association of Accountants and Auditors
www.srrs.rs

SLOVAK REPUBLIC

Slovak Chamber of Auditors
www.skau.sk

SLOVENIA

Slovenian Institute of Auditors
www.si-revizija.si

SPAIN

Institute of Chartered Accountants of Spain
www.icjce.es

SWEDEN

FAR
www.far.se

SWITZERLAND

EXPERTsuisse
www.expertsuisse.ch

TURKEY

Union of Chambers of Certified
Public Accountants of Turkey
www.turmob.org.tr

UNITED KINGDOM

Association of Chartered Certified Accountants
www.accaglobal.com
Chartered Institute of Management Accountants
www.cimaglobal.com
The Chartered Institute of Public Finance and
Accountancy
www.cipfa.org
Institute of Chartered Accountants in England and
Wales
www.icaew.com
Institute of Chartered Accountants of Scotland
www.icas.org.uk

EXTERNAL EXPERT GROUPS

Accountancy Europe regularly gets invited to participate in external Expert Groups where we contribute to policymaking and standard setting at both European and international levels. This is yet another way through which we transfer the daily practice of our Members into input for future policies and regulations.

External Expert Groups we have worked with

Early Warning Network EU
EC EPSAS Working Group
EC Platform for Tax Good Governance
EC VAT Expert Group
EC VAT Forum
EFRAG Board
EFRAG European Reporting Lab Steering Group
EP Intergroup on Sustainable, long-term investments & competitive European industry intergroup
ESMA Consultative Working Group of Corporate Finance Standing Committee
ESMA Consultative Working Group of Corporate Reporting Standing Committee
IAASB Consultative Advisory Group
IASB Management Commentary Advisory Group
IESBA Consultative Advisory Group
IPSASB Consultative Advisory Group
World Benchmarking Alliance Allies community

BECAUSE
PEOPLE
COUNT.

WE ARE ACCOUNTANCY EUROPE.

EXPERT GROUPS

Composed of practitioners who have area-specific knowledge and skills, Expert Groups are at the heart of Accountancy Europe's daily work. They act as a sounding board and source of expertise. Each group is led by a Chair. Some groups also have Vice-Chairs, who lead work on specific topics aligned with the current strategy and short-term objectives.

MEET OUR EXPERT GROUP CHAIRS

Vice-chairs are listed below their relevant Expert Group where applicable.



David Herbinet
Auditing & Assurance
Policy Group

- Kai Morten Hagen
- Muriel Fajertag
- Nicolas Pfeuty



Jens Poll
Corporate Governance
Policy Group

- Andrew Hobbs
- Diego Messina
- Johan Rippe



Olivier Schérer
Corporate Reporting
Policy Group

- Willem Geijtenbeek
- Jan-Menko Grummer



Wim Bartels
Sustainability
Policy Group

- Rami Feghali
- Chiara Mio
- Julien Rivals



Michael Stewart
Accounting Working Party



Angela Foyle
Anti-Money Laundering
Working Party



Burkhard Eckes
Banks Working Party



Muriel Fajertag
IAASB & PCAOB
Working Party



Vincent Guillard
IFRS 9 Task Force



Paolo Ratti
Insurance Working Party



Liesbet Haustermans
Professional Ethics and
Competences Working
Party



Peter Welch
Public Sector Group



Eelco van der Enden
Tax Policy Group



Christine Weinzierl
VAT Task Force

- **Luca Bosco**
- **Roberta Poza**

BOARD

Based on our strategy, the Board supervises and guides our work. The Board acts in the collective interest of Accountancy Europe and of the whole European profession, independently from any national or sectoral interest. The Board has 12 members, including two executive members, from 10 countries and is chaired by the President. The President represents Accountancy Europe for a two-year term.



Myles Thompson
President



Mark Vaessen
Deputy-President



Christine Cloquet
Vice-President



Shauna Greely
Vice-President



Jorge Herreros
Vice-President



Jens Poll
Vice-President



Gerhard Prachner
Vice-President & Treasurer



Nina Rafen
Vice-President



Isabelle Sapet
Vice-President



Alessandro Solidoro
Vice-President



Olivier Boutellis-Taft
Chief Executive



Hilde Blomme
Deputy Chief Executive

FINANCIALS 2021

Accountancy Europe's annual statutory accounts are audited and prepared in accordance with the requirements of Belgian legislation.

You may consult the annual accounts of Accountancy Europe on the National Bank of Belgium's website: <https://cri.nbb.be/bc9/>.



Gerhard Prachner, Accountancy Europe Vice-President & Treasurer

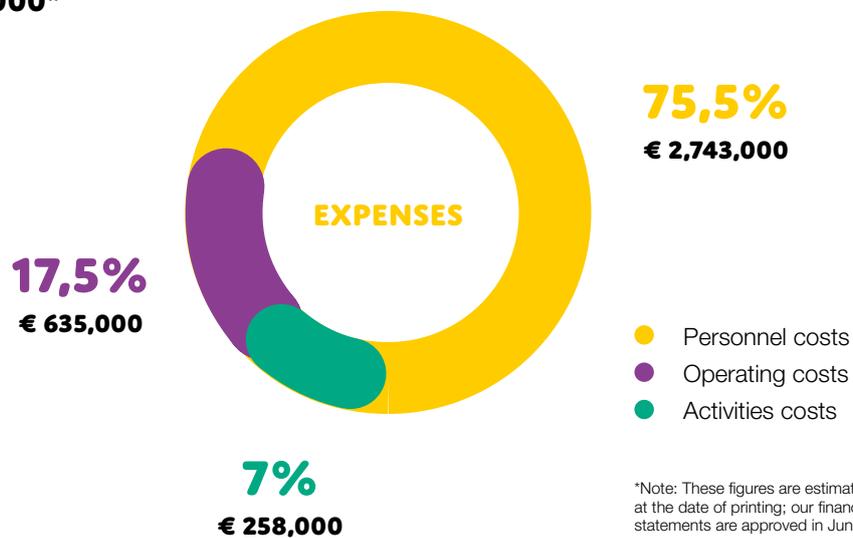
INCOME

€ 4,116,000

Members' contributions account for 99% of Accountancy Europe's income

EXPENSES

€ 3,636,000*



*Note: These figures are estimates at the date of printing; our financial statements are approved in June.

TEAM

Our Team executes the strategy set by the Board. It manages projects and steers the work of the Expert Groups in cooperation with their Chairs and Vice-Chairs.

Consisting of 20 people with diverse nationalities and professional backgrounds based in Brussels, the Team is led by the Chief Executive who manages and represents Accountancy Europe.



Yasna Adel
Project Officer



Johan Barros
Manager, Advocacy



Jona Basha
Senior Manager,
Professional Expertise



Elysia Blake
Manager,
Members & Governance



Júlia Bodnárová
Senior Advisor,
Professional Expertise



Nael Braham
Manager,
Professional Expertise



Laura Buijs
Director,
Head of Communications



Andrea Campbell
Manager, Events



Iryna de Smedt
Advisor, Advocacy



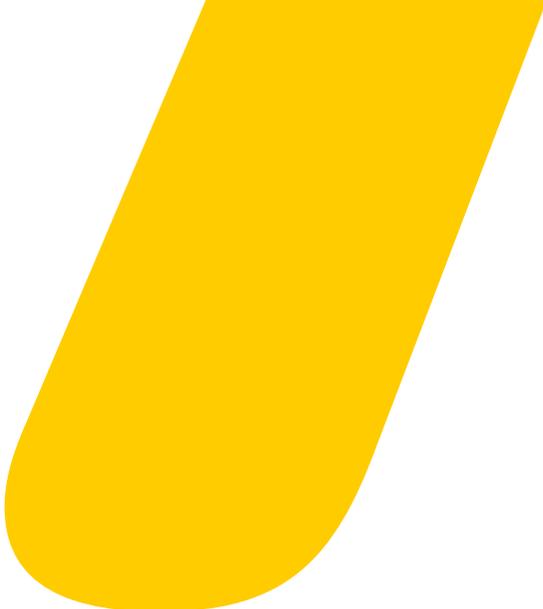
Valeria Fella
Executive Assistant



Chara Georgiou
Advisor, Advocacy



Paul Gisby
Senior Manager,
Professional Expertise



Eleni Kanelli
Senior Manager,
Head of Advocacy



Amanda Lazaroni
Intern, Communications



Sabine Leurart
Manager,
Office & Finances



Nha Vy Nguyen
Senior Advisor,
Communications



Vita Ramanauskaitė
Senior Advisor, Advocacy



Noémi Robert
Director, Members &
Business Management



Harun Saki
Manager,
Professional Expertise



Nina Schopferer
Coordinator, Events

STAY IN TOUCH

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@AccountancySME

NEWSLETTER & POLICY UPDATES

www.accountanceurope.eu

Newsletter

Audit Update

SME Update

Sustainability Update

Tax Policy Update



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DISCLAIMER

The report was prepared by the Accountancy Europe Team and finalised on 25 February 2022. This report is not meant to be exhaustive and only outlines key points to help the reader understand our main activities carried out over the last year.