



European Commission
Internal Market DG, Unit D-4
Rue de SPA n° 2
Office 06/014
B-1049 BRUSSELS

email: MARKT-PQ-EVALUATION@ec.europa.eu

17 March 2011

Re: QMA/PWE/MBR

Dear Sir or Madam,

Re: European Commission's Consultation Paper on the Professional Qualifications Directive

FEE (the Federation of European Accountants) is pleased to provide you below with its comments on the European Commission's Consultation Paper on the Professional Qualifications Directive. FEE's ID number on the European Commission's Register of Interest Representatives is 4713568401-18¹.

We welcome the European Commission's consultation aimed at gathering stakeholders' views on a modernisation of the Professional Qualifications Directive (Directive 2005/36/EC).

Recognition of professional qualifications delivered in another EU Member State is indeed essential to establish an internal market for professional services. We fully support the European Commission's objectives of simplifying the existing rules to the benefit of individual citizens, integrating professions into the Single Market and injecting more confidence into the system.

¹ FEE is the Fédération des Experts comptables Européens (Federation of European Accountants). It represents 45 professional institutes of accountants and auditors from 33 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.

FEE's objectives are:

- To promote and advance the interests of the European accountancy profession in the broadest sense recognising the public interest in the work of the profession;
- To work towards the enhancement, harmonisation and liberalisation of the practice and regulation of accountancy, statutory audit and financial reporting in Europe in both the public and private sector, taking account of developments at a worldwide level and, where necessary, promoting and defending specific European interests;
- To promote co-operation among the professional accountancy bodies in Europe in relation to issues of common interest in both the public and private sector;
- To identify developments that may have an impact on the practice of accountancy, statutory audit and financial reporting at an early stage, to advise Member Bodies of such developments and, in conjunction with Member Bodies, to seek to influence the outcome;
- To be the sole representative and consultative organisation of the European accountancy profession in relation to the EU institutions;
- To represent the European accountancy profession at the international level.

Activities of professional accountants in public practice, business and government are diverse. They include preparation of financial information, tax services, statutory audit as well as many innovative services in the areas of non-financial reporting, assurance services other than statutory audit, sustainability and corporate social responsibility, strategy and management consultancy and corporate governance.

For the accountancy profession, there are a number of inherent barriers to cross-border mobility that are not related to recognition of professional qualifications. National law, in particular Member States' tax and company law is usually the basis for accountancy work. Despite a certain converging influence of EU legislation in those areas, it is still a major challenge to acquire the necessary knowledge of tax and company law of another Member State in order to be able to provide accountancy services cross-border. The situation might change in the long term with the adoption of international standards related to accounting, auditing and independence (IFRSs, ISAs, IESBA Code of Ethics), which is important to provide a level playing field across the profession, however, for the time being there are no significant cross-border activities of accountants and auditors.

Another barrier arises from the fact that there is a diversity of market access rules in the Member States, making it difficult to implement the mechanism of the Professional Qualifications Directive.

Furthermore, recognition of professional qualifications is only one part of the rules that influence cross-border activities: the Services Directive and – for statutory audit services – the Statutory Audit Directive and their inter-relationship with the Professional Qualifications Directive also have to be considered as illustrated in the FEE paper "INTERNAL MARKET FOR SERVICES AND THE ACCOUNTANCY PROFESSION: QUALIFICATIONS AND RECOGNITION" issued in November 2007 (see attached excerpt).

FEE has for many years supported initiatives to increase mobility of professionals in the accountancy services sphere, including working with member bodies to explain the arrangements under EU legislation for mobility and to reduce barriers. FEE organised a round table with Member State authorities to assist in the interpretation and implementation of the provisions of recognition of professional qualifications.

For further information on this letter, please contact Petra Weymüller, FEE Project Manager, at +32 2 285 40 75 or via email at petra.weymuller@fee.be.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Philip Johnson', with a long horizontal stroke extending to the right.

Philip Johnson
FEE President

FEE has considered the questions in the Consultation Paper on the Professional Qualifications Directive and provides hereafter its responses to the questions.

Responses to questions

Question 1: Do you have any suggestions for further improving citizen's access to information on the recognition processes for their professional qualification in another Member State?

The European Commission's list of contact points for professional recognition in the Member States, the EEA countries and Switzerland intends to provide **professionals** with information when seeking recognition in another Member State and searching for the relevant competent authority (http://ec.europa.eu/internal_market/qualifications/contactpoints/index.htm).

The Points of Single Contact, that have been set up in the Member States thanks to the Services Directive (listed at the European Commission's Website http://ec.europa.eu/internal_market/eu-go/index_en.htm) are contributing to help **service providers** to obtain information and complete administrative procedures.

The IMI system helps **competent authorities** to exchange information and is applicable for both Professional Qualifications and Services Directive.

The overall approach could however benefit from further integration, simplification and user-friendliness.

Although the websites of competent authorities and Points of Single Contact are easily accessible via the links provided by the European Commission, it proves in practice particularly difficult to navigate on the relevant websites on national level and to find the necessary information.

Member States could be encouraged to oblige the competent authorities enhancing their websites so that relevant information is easily available and accessible, in particular in English in addition to the national language(s). A more standardised approach (standard form for main information on a website, e. g. identification of competent authorities, procedure to follow, documents to submit, etc.) could be a solution to improve access to information. It could also be helpful to consider including professional bodies, when competent, in the IMI system.

Another step towards improving citizen's access to information could be a point of contact at EU level that helps to access information on both the Services Directive and the Professional Qualifications Directive, as service providers and professionals seeking recognition may find it difficult to differentiate between the application of the various systems.

Furthermore, the European Commission could encourage professional bodies to inform their members of the recognition processes for entry to another Member State and to inform public sector employers of qualifications from other Member States.

Question 2: Do you have any suggestions for the simplification of the current recognition procedures? If so, please provide suggestions with supporting evidence.

FEE supports initiatives that can contribute to the completion of the Single Market. Cross border mobility of professionals could be further enhanced by reducing the barriers to such mobility and minimizing procedural red tape at Member State level.

To this end, FEE would support further harmonisation of the legal framework related to measures concerning approval, registration and aptitude test.

Simplification is an important objective but at the same time it should not be intended as deregulation of necessary safeguards to the protection of the consumer rights.

Question 3: Should the Code of Conduct become enforceable? Is there a need to amend the contents of the Code of Conduct? Please specify and provide the reasons for your suggestions.

From a legal point of view we have serious doubts that the Code of Conduct for the competent authorities² could and should become enforceable and its content mandatory.

In case of recognition of professional qualifications it has been decided on EU level to choose a Directive as legislative measure, which leaves Member States with a certain amount of leeway as to the exact rules to be adopted. In cases where the Directive is not implemented properly at national level, the European Commission can take the measures foreseen in the Treaty. Where more harmonisation would have been envisaged, the appropriate choice would have been a regulation. If there is a need for implementing measures the authorisation should be included in the Directive.

Question 4: Do you have any experience of compensation measures? Do you consider that they could have a deterrent effect, for example as regards the three years duration of an adaptation period?

Question 5: Do you support the idea of developing Europe-wide codes of conduct on aptitude tests or adaptation periods?

Question 6: Do you see a need to include the case-law on “partial access” into the Directive? Under what conditions could a professional who received “partial access” acquire full access?

Statutory audit

In case of statutory audit service providers seeking establishment in another Member State, an aptitude test is required as compensation measure.³ There is no choice between aptitude test and adaptation period.

In practice, a wide range of aptitude test systems exists across Member States.⁴ Depending on the country, the aptitude test for auditors is organised once a year or on specific request, written test or oral test or both are required. Generally, company law and tax law are the main subjects. The number of applicants seems to be quite limited which might be due to the fact that in the vast majority of countries the aptitude test must be passed in the national language. Special requirements for statutory audit services for banks, insurances and other financial institutions exist in some countries.

² Code of Conduct approved by the Group of Coordinators for the Directive 2005/36/EC on the Recognition of Professional Qualifications – National Administrative Practices falling under Directive 2005/36/EC

³ Article 14 of Directive 2006/43/EC on Statutory Audits

⁴ FEE Roundtable on Qualifications and Recognition, Tuesday, 17 June 2008,

<http://www.fee.be/fileupload/upload/FEE%20Roundtable%2017%20June%202008%20summary%20final2710200801510.pdf>
and FEE Survey Admission to the Profession of Accountant and Auditor December 2002, p. 36 - 38

Although FEE does not believe that the aptitude test is the main barrier to free movement of professionals, harmonisation of the aptitude test might contribute to ensuring that the compensation measure remains proportionate. Areas where harmonisation could be encouraged cover administration (written/oral, duration, timing, appeal on failure, etc.) and – to the extent possible – also the content of the aptitude test. However, different situations could continue to exist concerning the content, depending on the Member State concerned.

It is unclear whether a European-wide **code of conduct** for the aptitude test could solve the problem. It might provide useful guidance on the administration of the test. It will be much more difficult to implement as far as the content is concerned, especially if it is not profession specific.

Other accountancy activities

For professionals providing services other than statutory audit, the situation for cross-border activities is complex because of (i) the wide range of activities carried out by professional accountants, (ii) differences in Member States' rules regarding the pursuit of those activities and (iii) the existence of different regulatory approaches and market access rules at Member State level.⁵

These differences could become barriers to the free movement of professionals. However, we have no information showing that this has effectively played a restrictive role on free movement. As already said above, differences in legal and tax regimes played a much more important role, reducing cross-border activities and movement of professionals.

The European Commission asks whether the case-law on **partial access** should be included into the Professional Qualifications Directive. When analysing the Court decision, FEE raised questions on how such partial access could work in practice. As far as the accountancy profession is concerned, we concluded that the application of such rules on partial recognition would only arise in exceptional cases,⁶ because many activities are not regulated.

It is important to ensure a level playing field in the internal market. Partial recognition requires adequate information of the consumer which will be difficult to implement. Regulating partial recognition, a complex and disruptive system should not be encouraged by the Professional Qualifications Directive.

As outlined in the consultation paper, **compensation measures** can be imposed if the duration or the content of the migrant's training differs substantially. Differences resulting from the required knowledge of local laws or regulations can be subject to a specific treatment. Member States may stipulate either an adaptation period or an aptitude test. FEE supports the use of an aptitude test over that of an adaptation period because it enables the migrant professional to obtain the host Member State qualification in the least onerous way possible, at least as far as knowledge of law in the host Member State is concerned.

Regarding a European-wide **code of conduct** we refer to the response concerning statutory audit above.

⁵ 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. It shows a variety of situations across Member States. http://www.fee.be/publications/default.asp?library_ref=4&content_ref=539

⁶ FEE "Internal Market for Services and the Accountancy Profession: Qualification and Recognition", November 2007, # 162, http://www.fee.be/publications/default.asp?library_ref=4&content_ref=761

Question 7: Do you consider it important to facilitate mobility for graduates who are not yet fully qualified professionals and who seek access to a remunerated traineeship or supervised practice in another Member State? Do you have any suggestions? Please be specific in your reasons.

It is important to facilitate mobility for graduates who are not yet fully qualified professionals and who seek access to a remunerated traineeship or supervised practice in another Member State.

Statutory audit

The existing legal framework allows mobility of trainees. As stated in the Statutory Audit Directive⁷, at least two thirds of the three years' practical training shall be completed with a statutory auditor or audit firm approved in any Member State. Two years training can therefore explicitly be completed in another Member State. The Statutory Audit Directive does not indicate where and with whom the third year has to be completed. As a consequence, it could be allowed with another employer (who does not need to be statutory auditor) in any Member State. Therefore, in extreme cases, even the whole training period could be followed in another Member State.

Other accountancy services

As far as professionals providing accountancy services other than statutory audit are concerned, the principles of the Morgenbesser ruling could be applicable (as outlined in the consultation paper) where the profession is regulated in the relevant Member State.

However, differences in national law (tax law, company law etc.) need to be taken into account when allowing a trainee, who has pursued part of his training period in another Member State, access to the profession.

In general, the regulation of the accountancy profession is an essential part of ensuring that adequate standards of competence (through attainment of professional qualifications and continuing professional development - CPD) and ethics (through membership of professional bodies) are maintained. Changes should not lead to dilution of either competence or ethics.

Question 8: How should the home Member State proceed in case the professional wishes to return after a supervised practice in another Member State? Please be specific in your reasons.

We understand that the final examination after the supervised practice would take place in the home Member State where the initial education was followed. In this case it should be considered that the final examination would offer adequate guarantee that a candidate has to proof his qualification. However, anti-abuse measures should ensure that part of the education requirements are avoided artificially.

⁷ Article 10 paragraph 1 of the DIRECTIVE 2006/43/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC

Question 9: To which extent has the requirement of two years of professional experience become a barrier to accessing a profession where mobility across many Member States in Europe is vital? Please be specific in your reasons.

It is very unlikely that two years of professional experience over the past ten years could be seen as a barrier. On the contrary, one could raise a question on the possibility for an accountant to provide adequate services if his/her experience is so limited. FEE believes that the requirements in Article 13.2 of the Professional Qualifications Directive should be considered as a minimum to protect consumers of professional services.

Question 10: How could the concept of "regulated education" be better used in the interest of consumers? If such education is not specifically geared to a given profession could a minimum list of relevant competences attested by a home Member State be a way forward?

Statutory audit

Not applicable

Other accountancy services

In a majority of Member States, most accountancy services are not regulated.⁸ Consequently, the question whether professions are comparable is difficult to answer. However, in practice, providers of accountancy services are usually members of a professional institute imposing education requirements to become a member. This means that consumers can normally expect those using the title of accountants or equivalent to be qualified. However, it should be noted that the title of accountant is not protected in many cases and there is potential for confusion among consumers in these instances.

Question 11: What are your views about the objectives of a European professional card? Should such a card speed up the recognition process? Should it increase transparency for consumers and employers? Should it enhance confidence and forge closer cooperation between a home and a host Member State?

Overall

The general idea of a European professional card is attractive. It has some potential to enhance recognition procedures, increase cross-border mobility as well as – where combined with appropriate control mechanisms to prevent misuse – transparency for both consumers and employers. In the long term it might even lead to qualification requirements becoming more similar within the EU, as measures to prevent qualification “shopping” would evolve.

Its real contribution to the internal market will however depend on its conception, implementation and – as far as the accountancy profession is concerned – on the achievement of further substantial harmonisation in other areas.

⁸ FEE “Provision of Audit and Related Services in Europe”, December 2005.

The professional card suggested in this consultation would certify that a professional is lawfully established in a Member State and has a certain professional qualification or experience. It is obviously not going as far as the idea in the European Commission's Green Paper on Audit Policy that proposed a European passport for auditors and audit firms accompanied by maximum harmonisation.

Activities of professional accountants in public practice, business and government are diverse. They include preparation of financial information, tax services, statutory audit as well as many innovative services in the areas of non-financial reporting, assurance services other than statutory audit, sustainability and corporate social responsibility, strategy and management consultancy and corporate governance.

For the accountancy profession, there are however a number of inherent barriers to cross-border mobility that are not related to recognition of professional qualifications and that would not be overcome by introducing a professional card or passport. National law, in particular Member States' tax and company law is usually the basis for the work of accountants. Despite a certain converging influence of EU legislation in those areas, it is still a major challenge to acquire the necessary knowledge of tax and company law of another Member State in order to be able to provide accountancy services cross-border. The situation might change in the long term with the adoption of international standards related to accounting, auditing and independence (IFRSs, ISAs, IESBA Code of Ethics) which is important to provide a level playing field across the profession, however, for the time being there are no significant cross-border activities of accountants and auditors.

Statutory audit

Considering the specific requirement in the Statutory Audit Directive to be entered into a public register, electronically accessible to the public, FEE does not see any additional benefit of a professional card for statutory auditors as long as it is not accompanied by further measures that are conducive to enhance cross-border mobility of professionals (please refer to the overall comments above).

The question how to prove the credentials as statutory auditor is therefore very easy to answer. Obviously, it is assumed that these public registers are easily accessible. Since the Statutory Audit Directive requires an electronic system to be put in place, there are good reasons to believe that this should be the case.⁹

Other accountancy services

For professionals providing services other than statutory audit, the situation is complex because of (i) the wide range of activities carried out by professional accountants, (ii) differences in Member States' rules regarding the pursuit of those activities, (iii) the existence of different regulatory approaches and market access rules at Member State level as well as (iv) a number of barriers to cross-border mobility that are not related to the recognition of professional qualifications but to differences in national law (tax, company law etc.).

Taking those differences into account, a European professional card for accountants appears to be challenging to develop and in practice it might not be used by many accountants, as long as there is no level playing field within the EU (please refer to the overall comments above).

When further developing the system, the European Commission should ensure that it would be cost-efficient and non-bureaucratic to implement and maintain. Reliability and data protection

⁹ http://www.fee.be/news/default.asp?library_ref=2&content_ref=1322

matters would also have to be taken into account. A practical alternative could be to have the EU approved list of competent authorities – which would in many cases be the professional institute – and some reliable means of demonstrating membership of one of these bodies. This places the onus on competent authorities to ensure that there is a reliable method for individuals to demonstrate their membership.

Question 12: Do you agree with the proposed features of the card?

It could be an instrument focusing on interested migrating professionals. A professional could receive such a card only if he wishes so. However, once issued, the card should be binding on competent authorities.

Agree.

It could be open to all interested professionals, even if they come from a Member State where the profession is not regulated and wish to move to a Member State where it is.

In cases where professionals wish to move from a Member State where the profession is not regulated to one in which it is, some form of mechanism would be required to ensure that reliable and verifiable information is received. It is important that the validity of information on such a card can be checked by competent authorities in the host Member State.

It could be issued by the competent authority in the home Member State of the professional, i.e. the Member State of establishment or the Member State awarding the qualifications. This authority is best placed to assess and certify the qualifications of the professional. This could even be applied in situations where the home Member State does not regulate a profession but the host Member State does.

If the profession or a service is unregulated in the home Member State there is a problem concerning the competent authority able to deliver a professional card.

Furthermore, it would require an appropriate mechanism acceptable for the competent authorities of regulated professions of the Member State in which the professional wishes to provide services. Where one Member State has stringent measures to ensure the validity of experience gained in terms of its content and duration etc. (e.g. employer confirmation) such mechanisms would need to mirror this – and for there to be confidence that this is the case.

It could primarily facilitate the temporary mobility of professionals (freedom to provide services) replacing the current cumbersome declaration regime.

In general, we assume that the declaration system would become superfluous with a professional card or passport. For consumer protection purposes and to ensure compliance with host Member State rules, it could however be helpful to consider maintaining a declaration regime, but reduced to a very minimum and supported by electronic means, e.g. via IMI.

It could also further simplify the recognition procedure in the context of establishment. It could speed up the automatic recognition process for certain professions, bringing the current three month period for assessing qualifications down to one month or two weeks. It could also speed up the case by case recognition process (under the so-called "general system"), notably by facilitating the transmission and translation of documents.

Agree.

It could be supported by the electronic exchange of information between Member States. It should be a mechanism which already works and in which Member States' competent authorities have already put their trust, such as the Internal Market Information System (IMI). A competent authority could hence only issue such a card if it is registered with IMI and could fully engage in a continuous information exchange with a competent authority in another Member State.

We believe the exchange of information is important and not optional.

Question 13: What information would be essential on the card? How could a timely update of such information be organised?

The following information should be on the card:

- Identification: name, date of birth, place of birth, maybe a reference to the identification card
- Professional qualification: name, time and place of qualification
- Professional title, where relevant
- Competent authority issuing the card
- Professional institute, where relevant and if not identical with competent authority
- Signature of the professional

Additional optional information could be considered where relevant/applicable, e.g. CPD information, insurance, oversight authority (if not identical with the above mentioned competent authority), disciplinary sanctions.

The relevant information could be kept up to date by means of limiting its validity, e.g. for one year. After updating the information where relevant, the card could be prolonged for another year.

To facilitate the process, it could be considered to design the "card" in form of an online certificate that can be printed by the professional himself. The update could then also be done electronically and the professional could print the updated certificate.

Question 14: Do you think that the title professional card is appropriate? Would the title professional passport, with its connotation of mobility, be more appropriate?

As outlined in the consultation paper, the professional card suggested in this consultation would certify that a professional is lawfully established in a Member State and has certain professional qualification or experience. It is obviously not going as far as the idea in the European Commission's Green Paper on Audit Policy that proposed a European passport for auditors and audit firms accompanied by maximum harmonisation. Calling the professional card a passport may therefore be misleading.

We assume that professionals, employers and consumers would accept any name as long as they have a clear view on what is behind it.

As the purpose of the card is to prove that a professional has a certain qualification, it could also be called professional certificate.

Question 15: What are your views about introducing the concept of a European curriculum – a kind of 28th regime applicable in addition to national requirements? What conditions could be foreseen for its development?

We agree that the concept of common platforms in the Professional Qualifications Directive needs to be changed. It was not successful in practice and has no perspective of meaningful implementation.

The European Commission suggests that European curricula could be developed on the basis of common sets of competences. FEE believes that the approach has some merits but its implementation represents also a challenge. The possibility for the European Commission to help overcoming this challenge requires further studies.

As an example, nine of Europe's leading accountancy Institutes are working together to bring their professional qualifications closer together. This Common Content Project seeks to unify, as far as possible, the professional entry-level qualifications of the participating Institutes, while ensuring that those qualifications remain high-level and meet changing public expectations. The Project maximises the common elements of the professional qualifications while retaining national elements unique to each country¹⁰.

Additionally to an agreement between participants on the curriculum, challenges of this approach result from the necessity to manage and finance the process at EU level, ensure a consistent application and enforce quality control mechanisms. As far as the accountancy profession is concerned, it is doubtful that a European curriculum would eliminate the need for an aptitude test related to the knowledge of local laws and regulations.

Question 16: To what extent is there a risk of fragmenting markets through excessive numbers of regulated professions? Please give illustrative examples for sectors which get more and more fragmented.

As mentioned before, the situation for accountancy services other than statutory audit is complex because of (i) the wide range of activities carried out by professional accountants, (ii) differences in Member States' rules regarding the pursuit of those activities, (iii) the existence of different regulatory approaches and market access rules at Member State level as well as (iv) a number of barriers to cross-border mobility that are not related to the recognition of professional qualifications but to differences in national law (tax, company law etc.).

These differences lead to a considerable fragmentation of the market for accountancy services other than statutory audit.

There is always a risk that new regulation leads to fragmentation. The indirect consequence of introducing a system of partial recognition (see question 6) could be even further fragmentation.

¹⁰ www.commoncontent.com

Question 17: Should lighter regimes for professionals be developed who accompany consumers to another Member State?

Regarding accountancy services, there is no need to apply lighter regimes for professionals who accompany consumers to another Member State.

Question 18: How could the current declaration regime be simplified, in order to reduce unnecessary burdens? Is it necessary to require a declaration where the essential part of the services is provided online without declaration? Is it necessary to clarify the terms “temporary or occasional” or should the conditions for professionals to seek recognition of qualifications on a permanent basis be simplified?

In general, we assume that the current **declaration system** as well as a pro-forma *registration* system (wherever applicable, see question 19) would become superfluous with a professional card as outlined in the responses to questions 11 – 14.

For consumer protection purposes and to ensure compliance with host Member State rules, oversight and application of disciplinary measures as well as any insurance requirement¹¹, it could however be helpful to consider maintaining a *declaration* regime, but reduced to a very minimum and supported by electronic means, e.g. via IMI.

As long as the declaration system is still in place, it could be helpful to develop a standard form that could be used for the declaration in all Member States. A step further could be to expand IMI, so that applicants can file the declaration online with the competent authority over one portal.

In principle, there should be no difference whether a service is provided **online** or face-to-face. It should however carefully be considered whether a declaration for online services should be introduced or whether the declaration for face-to-face services could be abolished, in particular with a view of introducing a professional card or passport.

We acknowledge that it is challenging to define the terms “**temporary or occasional**” within the frame of the Professional Qualifications Directive that covers around 800 professions, whose services vary broadly. Definitions could however be developed on a sector-specific basis and outlined in guidance accompanying the Professional Qualifications Directive.

We do not see a need for simplification in case of professionals seeking recognition of qualifications on a **permanent** basis.

Question 19: Is there a need for retaining a pro-forma registration system?

In general, we assume that the **pro-forma registration system** would become superfluous with a professional card as outlined in questions 11 – 14. In the meantime, the pro-forma registration is – wherever applicable – an appropriate system to ensure compliance with professional rules in the host Member State.

¹¹ Article 7 of the Professional Qualifications Directive

Question 20: Should Member States reduce the current scope for prior checks of qualifications and accordingly the scope for derogating from the declaration regime?

No comment, it is related to regulated professions with health and safety implications.

Question 21: Does the current minimum training harmonisation offer a real access to the profession, in particular for nurses, midwives and pharmacists?

Question 22: Do you see a need to modernise the minimum training requirements? Should these requirements also include a limited set of competences? If so what kind of competences should be considered?

Question 23: Should a Member State be obliged to be more transparent and to provide more information to the other Member States about future qualifications which benefit from automatic recognition?

Question 24: Should the current scheme for notifying new diplomas be overhauled? Should such notifications be made at a much earlier stage? Please be specific in your reasons.

Question 25: Do you see a need for modernising this regime on automatic recognition, notably the list of activities listed in Annex IV?

Question 26: Do you see a need for shortening the number of years of professional experience necessary to qualify for automatic recognition?

No comment, automatic recognition is not applicable for accountants.

Question 27: Do you see a need for taking more account of continuing professional development at EU level? If yes, how could this need be reflected in the Directive?

The accountancy profession has always been particularly committed to CPD.

As far as statutory audit is concerned, the Statutory Audit Directive requires Member States to ensure that statutory auditors maintain their competence at a sufficient high level throughout their professional career.

Furthermore, most FEE Member Bodies have adopted professional standards defining minimum requirements for accountants and auditors.¹² Those standards generally comply with the requirements of International Accounting Education Standards Board (IAESB) who develops guidance to improve the standards of accountancy education around the world. The International Education Standard (IES) 7, *Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence*, prescribes that IFAC member bodies (i) foster a commitment to lifelong learning among professional accountants; (ii) facilitate access to continuing professional development opportunities and resources for their members; (iii) establish for their members benchmarks for developing and maintaining the professional competence necessary to protect the public interest; and (iv) monitor and enforce the continuing development and maintenance of professional competence of professional accountants.

However, education and competence are not only, nor mainly, about compliance with standards. At a time where business context, technologies and regulations change so rapidly, continuous

¹² Continuous Professional Education in the European Accountancy Profession *A Survey of Current Practices*, October 2007 http://www.fee.be/publications/default.asp?library_ref=4&content_ref=715

professional education is a priority for every professional accountant and is to be expected from anyone holding a professional title.

Generally, continuous professional education should be first and foremost an individual discipline of all professionals who want to deliver high quality services to their clients. Considering the broad range of professions covered by the Professional Qualifications Directive, it should however be carefully considered whether the Professional Qualifications Directive is best placed for making CPD mandatory.

Question 28: Would the extension of IMI to the professions outside the scope of the Services Directive create more confidence between Member States? Should the extension of the mandatory use of IMI include a proactive alert mechanism for cases where such a mechanism currently does not apply, notably health professions?

The IMI system has proven to work well, other professions might also be interested to benefit from it.

Question 29: In which cases should an alert obligation be triggered?

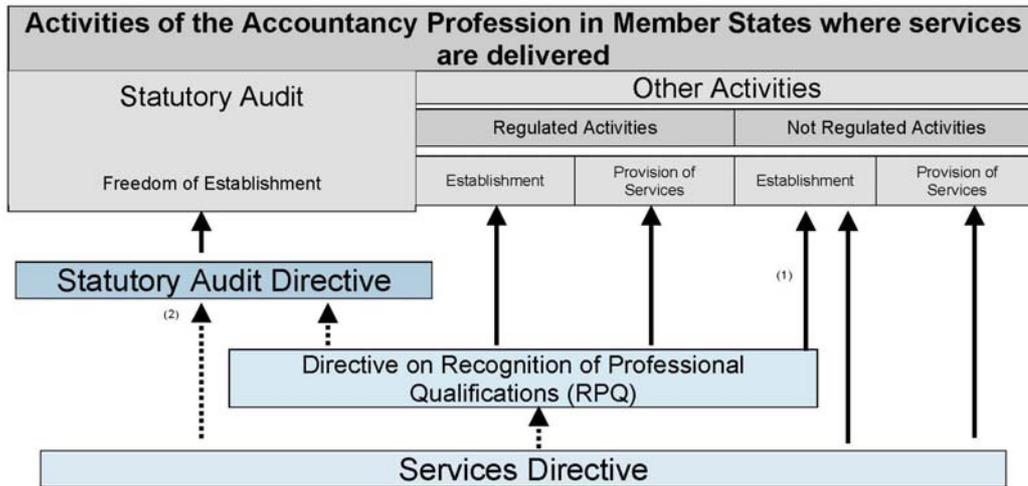
No comment.

Question 30: Have you encountered any major problems with the current language regime as foreseen in the Directive?

In general, language is probably the main barrier preventing many professionals from cross-border activities. As far as the language regime in the Professional Qualifications Directive is concerned, problems mainly arise because the aptitude test is in the vast majority of Member States only offered in national language(s).

Excerpt from the FEE paper
 “INTERNAL MARKET FOR SERVICES AND THE ACCOUNTANCY PROFESSION:
 QUALIFICATIONS AND RECOGNITION”¹³

Inter-relationship between the Directives in relation to activities of the accountancy profession: FEE Interpretation (page 31)



⁽¹⁾ Application of RPQ is applicable when the non regulated activity is to be carried out as a member of a regulated profession in the host country - See case study 6, § 150.
⁽²⁾ Interrupted arrows mean that the provisions of the text are applicable if not inconsistent.

¹³ http://www.fee.be/publications/default.asp?library_ref=4&content_ref=761