



Fédération des Experts Comptables Européens

NEWS

Embargo until: 18 April 2008

Standing for trust and integrity

How the accountancy profession is organised to meet the growing internationalisation of business needs

F.E.E. publishes an extensive study on *Trans-national organisations and practices within the accountancy profession*

BRUSSELS – F.E.E. (Fédération des Experts Comptables Européens – Federation of European accountants) announces the publication of the most extensive study to date on the legal structure, governance arrangements and operational characteristics of 30 leading accountancy organisations and practices operating on a trans-national basis in Europe.

Demonstrating the profession's commitment to transparency, the study aims to facilitate wider understanding of organisations in the accountancy profession which serve international business needs. The study:

- Identifies the three different structural models and key characteristics of trans-national organisations, employed by the profession in Europe and the interaction between them;
- Places the profession's development of trans-national organisations and practices in the relevant regulatory and legal context which is highly jurisdiction-specific;
- Examines the views of survey respondents in relation to the network definition introduced in the revised Statutory Audit Directive.

F.E.E. President **Jacques Potdevin** commented that "while the most integrated trans-national organisations in the profession acknowledge the application of the network definition in their regard, they emphasise that Member States should avoid gold plating the related independence requirements which would increase the complexity and the already high costs of compliance. Other organisations either believe the definition does not apply to them, or are concerned that the costs of compliance with regulatory requirements would considerably outweigh the benefits, given the limited number of listed clients they have, while the public interest relevance is also questionable. Consistency of interpretation of the network definition is critical. F.E.E. therefore recommends the use by Member States of the IFAC guidance."

In addition, I believe that, more generally, the impact of ever increasing regulatory costs should be taken into account in other broader debates such as the concentration of the audit market for listed entities".

Philip Johnson, F.E.E. Vice-President and Chairman of the Audit Working Party, outlines the fact that "the findings of the study demonstrate that among the many drivers which have shaped the profession's trans-national development, the unevenness of liability regimes has been a key factor, as has the declining availability of professional indemnity insurance for audit assignments. FEE therefore welcomes the announced Recommendation on auditors' liability limitation to be issued by the European Commission".

F.E.E. CEO **Olivier Boutellis-Taft** notes that "to date, there has been only modest trans-national coordination of regulatory policy at the European level to allow for more simplified and integrated trans-national structures for accountancy organisations and practices. F.E.E. is committed to contributing to discussion on the future structures of the profession so that it can continue to meet the public interest and better serve the internal market".

-ENDS -

For more information, please contact:

Natacha Rajakovic
Communications Manager
Tel: + 32 2 285 40 72
Fax: + 32 2 231 11 12
Email: natacha.rajakovic@fee.be

Notes for Editors:

F.E.E. (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 advancing the interests of the profession, F.E.E. acknowledges the public interest. F.E.E. has a combined membership of more than 500.000 professional accountants who contribute to a more efficient, transparent, and sustainable European economy.