

## Welcome to the new EFAA newsletter

### The EFAA newsletter is back!

On a quarterly basis, we want to inform you about National, European and Global developments in the areas of accounting, auditing and other matters of interest to our member bodies and accountants. At the beginning of each quarter, we would like to provide you with current developments of a regulatory and legislative nature as well as provide an update on the activities of EFAA and its member organizations.

As ever, we need your support. This is

your newsletter so please send us your comments, your events, issues and developments and give us feedback!



Geoffrey Britton, President of the EFAA

## EU-Legislation

### Agreement reached on audit legislation

The European Parliament voted in favor of an agreed text of EU legislation to reform the EU audit services market on 3 April 2014. The "audit reform package" consisting of a regulation and a directive aims at three primary goals: Improving audit quality by requiring audit reports according to international auditing standards, opening up the EU audit market to competition and enhancing transparency and improving Independence of non-audit services.

Most of the provisions shall enter into force within the next two or three years. EFAA will report on this legislation later.

*Adopted texts can be found here*

### Recognition of professional qualifications revised

The revision of the Directive on the Recognition of Professional Qualifications and the Internal Market Information System Regulation resulted in the new Professional Qualifications Directive (2013/55/EU). This entered into force on 17 January 2014. Key points of the revised directive include the possibility of partial access to a profession, the uniform professional card and rules on the transparency of regulated professions.

*Text of the directive*

## Upcoming Events

22 to 25 May

**European Parliament Elections**

5 June

**EFAA conference 2014 – The Taxation and Accounting issues for SMEs, Budapest**

6 June

**EFAA General Assembly, Budapest**

13 June

**IESBA Roundtable on suspected non-compliance with laws and regulations, Brussels**

## Recently published documents

*EFAA comments on IASB's Discussion Paper – A Review of the Conceptual Framework for Financial Reporting*

*EFAA comments on IAASB Exposure Draft - Reporting on Audited Financial Statements Proposed New and Revised International Standards on Auditing*

## Coming shortly

**EFAA report on Implementing the New European Accounting Directive - Making the Right Choices**

**EFAA response to the IAASB's Consultation Paper on its Strategy and Work Plan**

## EFAA-Actions

### Audit Report-Survey

EFAA (through its Auditing Expert Group) together with some of its members issued a survey to address the IAASB's proposals surrounding changes to auditor reporting. The survey, published in English, German, Polish and Spanish, sought feedback and opinions of responders on each of the proposed changes to the auditor reporting requirements.

The survey was carried out in September/October 2013 and EFAA was pleased to receive over 400 responses from more than 50 countries. In examining responses, it proved possible, because of sufficient numbers within a category, to extract a meaningful analysis of differences in views between certain countries and between certain categories of responders.

The report includes observations and recommendations that we believe will prove of interest to the IAASB and to legislators and standard setters in general. The survey was presented in association with WPK<sup>1</sup> to the IAASB, European Commission and Members of the European Parliament in January 2014 and has and will continue to inform EFAA submissions and representations to standard setters and legislators on audit matters.

It was clear from the survey responders that audit remains a key service outside the sphere of listed entities.

<sup>1</sup> WPK, Wirtschaftsprüferkammer

This is despite the fact that many smaller entities are exempt from the requirement for a statutory audit and that, in certain jurisdictions, SMPs may be deterred from auditing by statutory and/or ethical provisions that do not allow the provision of some non-audit services.

*Link to the report*

### Implementing the New Accounting Directive (2013/34/EU)

The member states of the EU will have to transform the Accounting Directive into national law by 20 July 2015. The primary objective of the renewal of the directive was a more homogeneous accounting framework in Europe.

This goal was ultimately missed as the Directive contains a large number of Member State Options ("MSO") within it. In order to assist EU member countries' decision-making during the implementation of the Directive, EFAA has prepared a report on the MSOs and the criteria that should be considered when choosing which MSOs to take on board, i.e. those MSOs that comply with "better accounting" but also do not overburden SMEs.

The report was just published and can be found on [www.efaa.com](http://www.efaa.com).

### Study on the needs and expectations of SMEs preparing their financial statements

E&Y have been commissioned to conduct a study on behalf of the

European Commission regarding the utilization of financial statements in SMEs where they are not covered by EU accounting rules. EFAA is part of the expert group engaged in this survey and clearly it would be of benefit to collect more evidence if this is going to help inform the result (the guide) and any future changes in legislation.

*Further Information and links to the survey*

### EFAA conference 2014 to be held in Budapest

This year's EFAA conference will take place on 5 June 2014 organized by our Hungarian member, Tax Moklasz. The focus in Budapest will be **The Taxation and Accounting issues for SMEs**. The conference will be held at the Aquincum Hotel and a full conference program will be announced shortly.

## Other EFAA Matters

### Hans Rijkse was appointed a Knight in the Order of Orange Nassau

Hans Rijkse, board member of EFAA, was appointed a Knight in the Order of Orange Nassau on 28 March 2014. The medal presented by the Mayor of Middleburg (Netherlands) honored Hans for his engagement in many social organizations and for his success as partner of Accountants- en Adviesgroep Rijkse.