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PHOTO: KARSTEN DE RIESE

EFAA President Bodo Richardt

Foreword by EFAA President Bodo Richardt

“ACTION EXPRESSES PRIORITIES”

Dear Colleagues,

Analyse EFAA's work with this quote of Mahatma Gandhi in mind and you will come to the conclusion that EFAA's top priority over the past months was to improve our communication with you, our valued member. This priority is reflected in the structured communication plan EFAA devised and implemented, in the extension of the EFAA International Conference and EFAA AGM to a full two-day event and in the implementation of the EFAA Leadership Dialogue in which the President of EFAA will hold at least one bilateral meeting with the leadership of each member association per year. There are of course many other things that EFAA has been working on, but in a way, good member communication is the basis for every other EFAA activity. EFAA is only able to represent your interest and improve itself further if we listen to you while you bring your ideas to the table, criticise or commend our work.

Apart from reaching us via email or telephone we believe that the member survey, the extension of the EFAA AGM and the EFAA Leadership Dialogue constitute important opportunities for this target. Your positive feedback, for example for the extension of the EFAA AGM and the EFAA Leadership Dialogue that we already received, shows me that we were right in introducing these changes. We also received positive feedback on our new structured and strategic approach to printed communication. We have improved the EFAA Newsletter which is intended to give you an overview of our activities, introduced the EFAA Latest From Brussels which serves as our email news-ticker for worldwide

news coming from our Brussels office, developed the EFAA Members Update as a summary article about one specific topic, to provide you and your members with concise background information and last but not least enhanced our EFAA Articles and EFAA Studies for more in detail opinions or research.

Our formats and our approach to member communication will of course keep on evolving. But apart from rearranging details, this building block of EFAA – member communication – is in place now and will provide us with the tools and the capacity to focus on new priorities for the second half of 2015. We will devote the coming months to raising EFAA's profile by improving our contacts with the European Commission, European Parliament and other stakeholders, use the EFAA Council Meeting in Paris in November to develop a thought-leadership campaign for 2016 with you and centre our attention on attracting new members. These steps will increase our visibility, provide us with an overarching theme for our technical and political work in 2016 and increase our resources.

If you have any comments, criticism or ideas regarding these plans or EFAA in general, please reach out to me or our team at any time. If we bring our ideas together, we can keep EFAA on a path of sustainable growth and give Europe's SMPs and SMEs the voice they deserve.

Yours sincerely,

Bodo Richardt
EFAA President

The EFAA / OTOC Conference 2015

Good things take time – that is probably why all panellists at the EFAA Conference 2015 took a bit longer than the allotted seven minutes for their opening addresses. Each year, EFAA organises an EFAA Conference together with the host organisation of the EFAA Annual General Meeting. This year, the event was organised by EFAA and its Portuguese Member the Ordem Dos Técnicos Oficiais De Contas (OTOC) at the auditorium of Lisbon's remarkable Museum of the Orient.

Two panels of international experts from professional associations, academia and the private sector presented, debated and answered questions from the audience on the conference theme "The Global Economic Crisis and Recovery – A Critical Review of Financial Reporting". EFAA President Bodo Richardt and OTOC President Antonio Domingues Azevedo opened the conference, welcoming all Portuguese and international guests and participants. In their opening addresses both Presidents highlighted that the themes of the conference were highly relevant for the profession at this point in time. EFAA President Bodo Richardt noted that the global economic crisis had been indicative of how important high quality financial reporting was for economic stability in Europe and around the globe, providing an important momentum for the interests of professional accounting associations. OTOC President Antonio Domingues Azevedo referenced the shocks the crisis created and pointed to the fact that they had induced important changes in the profession, particularly in Portugal.

The topic of the first panel, moderated by Richard Martin, Head of Corporate Reporting at ACCA and Chair of the EFAA Accounting Expert Group, tied in perfectly with these opening thoughts by focusing on "The Evolution of

Accounting and Financial Reporting in Europe." The panel featured the President of the French Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC) Philippe Arraou as well as professor Avelino Antão of Aveiro University and the OTOC Accounting Expert Sérgio Pontes. CSOEC President Arraou gave the audience exiting insights into the development of accounting in France embedded in the European context of the Accounting Directive. Avelino Antão on the other hand focused on the remarkable development that financial reporting has gone through in Portugal – and noted that OTOC contributed more than its fair share to this positive development.

On the second panel moderator Jules Muis, member of the Public Interest Oversight Board (PIOB) opened the discussion by explaining convincingly why being a good accountant is essentially the same as being a good cartoonist – both have to summarize and encapsulate a complex aspect of reality whilst making it comprehensible for others. This image was the perfect starting point for the discussion of Professor Graca Azevedo of Aveiro University, Eamonn Siggins, CEO of the Institute of Certified Public Accountants (CPA) of Ireland and Financial Management Consultant Jon Hooper, who were debating "The Role of Accounting for a Sustainable Europe."

OTOC's President Domingues de Azevedo and EFAA President Bodo Richardt concluded the conference by highlighting the rising importance of international cooperation especially

for SMEs and SMPs in an ever more globalized world. After the event OTOC generously invited the international participants to a remarkable social program. The visits to Sintra with its romantic Pena Castle, Cabo da Roca as the most Western point of Europe and a traditional Portuguese dinner provided a memorable conclusion of a successful EFAA / OTOC Conference 2015.



Getting ready for the show – the Presidents Philippe Arraou (CSOEC), Antonio Azevedo (OTOC) and Bodo Richardt (EFAA) together with panellist Sérgio Pontes (OTOC).



"Quality Accounting is an economic fundamental!" – PIOB Member Jules Muis, giving his passionate opening address on the second panel.



Living the international SMP alliance – in their closing addresses, both Bodo Richardt (EFAA) and Antonio Azevedo (OTOC) stressed that international cooperation will become ever more important for Europe's SMPs.

The EFAA Annual General Meeting and Extraordinary General Meeting 2015



All on board! – The Delegates to the EFAA AGM 2015 in Lisbon.

On 26th June EFAA held its members-only Annual General Meeting (EFAA AGM) 2015 in Lisbon. Sticking to tradition, the meeting was scheduled for the day after the EFAA Conference 2015 at the OTOC headquarter's auditorium.

EFAA AGMs are EFAA's highest governing body with representatives from all EFAA member organisations and have important statutory rights and duties.

Due to the high-level representation, EFAA AGMs and the accompanying social program are also excellent

opportunities for EFAA member bodies to liaise with one another. Furthermore, EFAA AGMs serve as an open forum for EFAA and its members to exchange ideas and discuss how their partnership could improve even further. Apart from its political steering function the EFAA AGM thereby provides EFAA with concrete and valuable decisions for its operational direction. One such inspiration from this year's EFAA AGM was the idea to produce Country-Focus Reports that inform members about the political challenges and best practices in one EFAA member country. Since listening and subsequently working

with the input from members is one of EFAA's top priorities, the concept for these Country-Focus Reports is currently being developed.

In addition to the regular EFAA AGM, EFAA held an EFAA Extraordinary General Meeting (EFAA EGM) on 26th June. EFAA EGMs are called for if urgent matters arise or in the case that a vacancy arises on the EFAA Board of Directors. This year, three candidates applied for a seat on the EFAA Board of Directors that was open due to the resignation of its longstanding German member Hans-Michael Korth (DStV). EFAA members had to choose from three candidates who had been nominated by their respective associations in Azerbaijan, France and Portugal. Ezequiel Fernandes from Portugal (OTOC) was ultimately able to attain an absolute majority of the votes and was welcomed by EFAA President Bodo Richardt as the new member on the EFAA Board of Directors.

After the official program, EFAA invited its members to participate in an engaging social program. The social program following on from EFAA's AMGs is also open for non-members to attend, for example honorary guests or participants of the EFAA Conference the day before the EFAA AGM. The program started with a boat cruise on the Tagus River. It ended at the historical Praça Do Comercio, right in the heart of Lisbon, granting all participants the same spectacular view of Portugal's capital city that explorers and merchants had enjoyed for hundreds of years. After some free time in the historic city centre the group met at Lisbon's renowned Clube de Fado where participants reflected on the insights and experiences of the past days over a traditional Portuguese dinner and the unique tunes of Fado.



Set the sails! – After discussing EFAA's future at the EFAA AGM 2015, the CEO of the Chamber of Auditors of the Republic of Azerbaijan (CAAR) Qasham Bayramov, CAAR representative Lamiya Bayramova and EFAA President Bodo Richardt enjoy the boat cruise on the River Tagus.

To new shores! – EFAA Board Member Michele Testa (CNDCEC), tirelessly looking for innovative perspectives on the SMP/SME nexus.



Meet the New Man on the EFAA Board of Directors

An Interview with Ezequiel Fernandes (OTOC)

EFAA: Before we start with the interview, allow us to congratulate you on your election Mr. Fernandes!

EF: Thank you very much for the good wishes and the interview. I also wanted to thank EFAA's members for the trust they put in me throughout the election process.

EFAA: You are not a stranger to those who attend our EFAA events on a regular basis. Could you tell us how long you have been following EFAA's activities?

EF: Since the moment I became a member of the OTOC Board of Directors some years ago, I have been following EFAA and attending events. I have seen the organization evolve and strengthen its relevance in the international SMP and SME context. In the European context, EFAA is the most important organisation for its members to understand, develop and consolidate international solutions for SMPs and create synergies around common goals and purposes.

EFAA: Mr. Fernandes, you are a Professor of accounting at the University Lusíada in Lisbon and a member of the OTOC Board of Directors, thus you bring remarkable technical expertise to EFAA's Board of Directors. As a European organization EFAA is of course all about international cooperation and coordination of interests. We therefore want to ask: what is your international experience?

EF: On the "technical" side, I have been working as a financial analyst and university professor in accountancy and professional ethics. Through OTOC I have been assigned with the skills and qualifications recognition process for



PHOTO: OTOC

Congratulations! – EFAA's new Board Member Ezequiel Fernandes of the Portuguese Ordem dos Técnicos Oficiais de Contas.

the accountancy profession – Academic qualifications, professional internships and professional evaluation exams. In my capacity as a representative of OTOC I have been very active internationally. I have been attending international meetings, sometimes as a speaker, from ISAR – UNCTAD round-tables in Geneva, to IFAC and CILEA events all around the globe and of course with EFAA in Europe. At these events, I have been working on relevant topics for the profession with the goal to improve and implement better and more efficient mechanisms internationally.

EFAA: EFAA focuses on SMPs. Why do you believe it is necessary for SMPs to have political representation when bigger firms are investing a lot into lobbying? Couldn't the SMPs simply sit back and let the big firms "do the job"?

EF: Accountants, as independent and responsible professionals for SME accountancy, are a knowledge resource for SME owners, not only in accountancy and taxation, but also in consulting and other business related areas, such as finance and transfers of business. Usually, SMPs are the most qualified and experienced professionals working with SMEs. And these SMEs have a key role in the global economic system, employment, social stability and governmental tax incomes. They

are the muscle that keeps the bones of our economy together and moving. Because of the SME sector's special features, its professionals have a wide range of needs and competences. In an SME, accountants are forced to have a holistic approach and a complete understanding of the whole business. Therefore the SMPs' needs and requirements for financial reporting or providing services to their SME clients differ greatly from those of the Big Four. Taking these factors into consideration, it is very important to have someone giving a voice to and representing to this reality. Without this representation, only the interest of larger firms will be taken into consideration. By the way, in as much as we can make the smaller professionals' interests and rights count we will also have a more balanced and stable economy.

EFAA: Your speech before the election at the EFAA Extraordinary General Meeting in Lisbon was very well received. In that speech you outlined several ideas for EFAA's future engagement. Could you portray your favourite idea from that speech for us in a few sentences?

EF: Strategically we have to work from the basis of understanding our stakeholders' interests, and then find the intersection of that interest and the public interest. We should for example look into professional mobility in Europe as one of the major developing topics. We should also think about international standards in a more integrated way, for example to consider the whole area of education and training and not only professional standards. But since we are in the middle of a term, my biggest wish is to work with the EFAA Board effectively to achieve the Federation's objectives to the highest degree possible. I am fully committed to, available and motivated for the work that lies ahead of us.

EFAA: We wish you all the best for your work on the EFAA Board and thank you very much for your time Mr. Fernandes.

EF: Thank you.

Meeting our Members – EFAA's President Enhances Member Relations Through Initiative For Improved Dialogue

Improving member communication is a fundamental building bloc of EFAA's path into a successful future. To aggregate the members' interests effectively and adjust EFAA's strategy accordingly, EFAA and its members need to work closely together. That is why EFAA President Bodo Richardt has decided to dedicate himself to establishing a more direct link with EFAA's member associations.

DStV and EFAA meeting in Hannover – CEO Axel Pestke, EFAA President Bodo Richardt and DStV President Harald Elster.



PHOTO: DStV

This priority was institutionalized in the introduction of the EFAA Leadership Dialogue through which the EFAA President will hold annual bilateral meetings with the leadership of each member organisation. The first EFAA Leadership Dialogue took place on 5th June between EFAA and its Italian member CNDCEC in Rome. EFAA President Bodo Richardt, accompanied by EFAA Project coordinator Felix Martens, met with CNDCEC President Gerardo Longobardi, Board Member and international delegate Ugo Police and Head of International Affairs, Noemi Di Segni. The cooperative and productive atmosphere of the meeting and the insights and inspirations that both sides drew from it made it clear that the EFAA Leadership Dialogue was an important tool to add to EFAA's success on behalf of its members.

Another Leadership Dialogue took place between Bodo Richardt and President Gerhard Ziegler and CEO Reiner Veidt of Germany's WPK in Dusseldorf on 16th June. On 19th June the EFAA President took part in the

DStV member assembly in Hannover and met with the President of DStV, Harald Elster and CEO Axel Pestke.

EFAA President Bodo Richardt also strengthened EFAA's relations to its members by participating in member events. He appeared for example as a key speaker at the IX. International Tax Conference in Budapest chaired and organised by George Herich, President of EFAA's Hungarian member TAX MOKLASZ.

On 5th May the EFAA President was invited as a special guest at the Deutsche Steuerberaterkongress (German Congress of Tax Advisers) in Hamburg. There he met with BStBK President Horst Vinken and WPK President Harald Elster. BStBK is currently in the process of applying for an EFAA membership.

With the EFAA Leadership Dialogue in place and a more participation in membership events in place EFAA will improve its capacity to aggregate and advocate for its members interests.



EFAA President Bodo Richardt at the BStBK member convention together with BStBK President Horst Vinken.

PHOTO: BStBK



PHOTO: CNDCEC

CNDCEC President Gerardo Longobardi welcomed EFAA President Bodo Richardt at his headquarter in Rome for the first EFAA Leadership Dialogue.



PHOTO: TAX MOKLASZ

TAX MOKLASZ President George Herich and EFAA President Bodo Richardt at the IX. International Tax Conference in Budapest.

EFAA Meeting with PIOB

On 22nd June 2015, EFAA President Bodo Richardt, and EFAA Director of Professional Development Marie Lang met with Public Interest Oversight Board (PIOB) Chairman Eddy Wymeersch and Secretary General, Gonzalo Ramos.

The purpose of the meeting was to discuss the role of SMEs and SMPs in

the context of the IFAC standard setting boards and further in the wider context of the definition of the Public Interest.

The meeting was held in an open, constructive and collaborative manner and it was agreed by all parties that further discussions should take place to address the above matters and to also consider whether auditing, education

and ethical standards should be and are capable of being drafted for very large and very small companies alike. That is, can standards really be applicable to all entities and how can we make them truly proportional?

Brunel University 5th Accounting Symposium

On 15th June 2015, EFAA Director of Professional Development, Marie Lang attended and participated in the Brunel University Accounting Symposium. This was attended by academics from across the globe (including EFAA's own Special Advisor Prof. Robin Jarvis), Professional Accountants in Business, SMPs, Representatives from the UK Financial Reporting Council (UK FRC), UK HM Revenue & Customs (HMRC) and UK Companies House.

The morning session of this year's event focused on business reporting and encompassed many facets including: developments taking place in the UK within the FRC, HMRC and Companies

House together with developments in Standard Business Reporting and iXBRL across Europe.

The afternoon session identified challenges and expected development areas within academia with respect to Information Technology (IT). It focused on how future professional accounting courses should be adapted to truly be in a position to improve and strengthen the IT knowledge and skills of tomorrow's accountants in today's fast moving digital world.

EFAA was pleased to participate in both sessions as a panellist, adding to the debate and sharing insight from SMEs

and SMPs in these important areas, as well as strengthening very important ties to academia.

Shaping the debate on accounting – EFAA's Director of Professional Development Marie Lang on the panel at Brunel University's 5th Accounting Symposium.



PHOTO: BRUNEL UNIVERSITY

Goodbye and Good Luck to EFAA Audit Expert Group Chair David York



PHOTO: ACCA

Leaving for pastures new – EFAA's Audit Expert Group Chair David York.

On 30 June 2015, David York, EFAA Auditing Expert Group (Aud EG) Chair and ACCA Head of Auditing Practice, left ACCA for pastures new.

David has been the longstanding Chair of the EFAA Aud EG and has worked with passion, experience and expertise to drive the agenda of the group and fine tune its output. His departure from

the Aud EG Chairmanship will coincide with his departure from ACCA.

EFAA President Bodo Richardt, and Director of Professional Development Marie Lang met David in London to present him with some tokens of gratitude on behalf of EFAA and to wish him all the very best for the future.

EFAA Publishes Its First Member's Update

On 19th July EFAA published its first EFAA Members Update. The EFAA Members Update is a one to two page document focusing on a topic of relevance to the industry and is reserved for our members only. EFAA members can use the Members Updates for many purposes. As a basis for decision making for their leadership, to inform stakeholders within their own organisations like the Board of Directors about the work that they are doing in cooperation with EFAA, or to use it as a press release on their website and/or in their publications. The Members Update gives EFAA members a medium through which to showcase the value that they are creating for their constituencies beyond the national level. In an ever more globalised world, it becomes increasingly important to have and demonstrate this international competence.

In the future, some Members Updates will take the form of Country-Profiles

focusing on SMP accounting and auditing. Again, EFAA members can use this information for the news section of their publications to showcase international competence,

or work with the content from the country profiles to identify areas where bilateral cooperation or an exchange of experience with another member could benefit either one or both sides.



For Members Only –
The cover page of the first edition of EFAA's new Members Update.

EFAA Publishes Article on Integrated Reporting

On 2nd July EFAA published an article on Integrated Reporting (<IR>) in the SMP/SME context written by EFAA's Director of Professional Development Marie Lang and EFAA Special Advisor Robin Jarvis of Brunel University. The article argues that while applying <IR> inspired mandatory regulation to Europe's Small- and Medium-Sized Enterprises (SMEs) would be neither desirable nor beneficial, voluntary usage of <IR> concepts by SMEs could help them overcome sector specific problems like access to finance under certain circumstances. At the same time, being able to apply these <IR>

concepts could provide new business opportunities for Europe's Small- and Medium-Sized Practices (SMPs). In addition to the understanding of the potential of <IR> concepts in the context of the SMP/SME nexus, EFAA is seeking to create a win-win situation for both SMEs as well as SMPs. In order to do this, EFAA sent it's <IR> article to more than 120 strategically selected individuals from institutions such as the European Commission and European Parliament, professional associations, both at national as well as on the international level such as IFAC and experts from the profession

and academia. EFAA has received positive feedback from a diverse range of stakeholders such as the European Commission, EFAA's members, other associations and the International Integrated Reporting Council (IIRC). This was only the initial yet important step to further the interests of the SMP/SME nexus by using concepts from <IR> that in parallel helped to raise EFAA's profile. This was particularly successful and important on the European level, where EFAA is looking to further strengthen its presence, in addition to building an even stronger presence with IFAC and its CAGs.



EU Update

NEW ANTI MONEY LAUNDERING-DIRECTIVE IN FORCE

The fourth Anti Money Laundering-Directive (EU) 2015/849 came into force on 25th June 2015. The Directive applies to banks and financial institutions, but also to Auditors and Accountants. The main new points addressed are the introduction of a register for beneficial ownership information, a widened risk assessment approach and customer due diligence. Businesses are also obliged to install internal controls to combat money laundering and terrorist financing activities. Member states must transform the directive into national legislation within two years.

To access the explanatory memorandum for the Anti Money Laundering-Directive, simply [follow this link](#).

[<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52013PC0045&from=EN>]

PUBLIC CONSULTATION ABOUT FURTHER CORPORATE TAX TRANSPARENCY

The European Commission wants to know more about the needs and thoughts about enhanced tax transparency to fight base erosion and profit shifting. The core idea is to oblige multi-national companies to provide detailed information in their annual accounts about their tax base and tax payments in every country ("Country-by-Country-Reporting"). The consultation is open to the public until 9 September 2015.

To take part in the consultation on corporate tax transparency, [please follow this link](#).

[http://ec.europa.eu/finance/consultations/2015/further-corporate-tax-transparency/index_en.htm]

FURTHER INFORMATION AND CONTACT:

If you want to find out more about EFAA, our work or on how to become a member, please feel free to contact us at info@efaa.com. If you have any comments, questions or suggestions regarding this newsletter, or you want to contribute to a future issue of the EFAA newsletter, simply send an email to our Project Coordinator Felix Martens at felix.martens@efaa.com.

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Upcoming Events

September 8

Edinburgh Group Meeting, New York City

September 14

IESBA CAG Meeting, New York City

September 15 – 16

IAASB CAG Meeting, New York City

September 17 – 18

20th National Congress of OTOC, Lisbon

September 18

EFAA Accounting Expert Group Meeting, Madrid

September 28 – 29

IAESB CAG Meeting, New York City

September 30

Future Challenges in Audit Oversight, PIOB, Madrid

September 30 – October 2

70th Congrès de l'Ordre des Experts Comptables, Paris

October 5 – 6

DStV German Tax advisor Congress, Vienna

October 10 – 12

European Congress of Small and Medium-Sized Enterprises, Katowice

October 15 – 17

CNDCEC National Congress, Milan

October 18 – 19

SAFA Board and Committee Meetings and SAFA Conference, Dhaka

November 4 – 6

32nd session UNCTAD-ISAR, Geneva

November 17

EFAA Council Meeting, Paris

November 18

EFAA Board Meeting, Paris

December 10

EFRAG General Assembly, Brussels