



IN THIS ISSUE:

Foreword	2
Experts Invigorate EFAA Workshops on SMP Digitalisation	4
EFAA Special Advisor Appointed to European Commission Stakeholder Group on E-Invoicing	6
EFAA Members Welcome Belgian Institute IEC-IAB as New Member	7
IFAC Elects New President Rachel Grimes in Brasilia	7
Building Alliances - Board Members Represent EFAA at Romanian and Bulgarian National Conferences	8
EFAA President Represents European SMP View at UNCTAD ISAR 33	8
EU Update / Recommended Reads	9
Upcoming Events 2017	10

PHOTO: KARSTEN DE RIESE



Foreword by the President

Dear Colleagues,

What a busy year it has been. Not only for you but also here at EFAA. And although it is not quite over yet, it is a good time to look back on what EFAA achieved in 2016 and what we want to achieve in 2017. And while we see a lot of potential to further improve EFAA let us not forget that thanks to the collective efforts of you, 2016 has been a very successful year for our Federation.

The so called technical work has always been a strong characteristic of EFAA. While this continued in 2016, the excellent technical work was sometimes less visible. Highly visible, however, was the publication on the implementation of the accounting directive. This study received considerable coverage in the World Accounting Report of this December and the launching roundtable event on 16 June assembled influential stakeholders from the profession, the European Commission (EC) and business organisations.

Less visible, but equally important, was the substantial progress made on our two other surveys. The survey on "Accountants under Pressure" will shed light on the pressure that many of our SMP colleagues face in servicing their clients. The survey has just been finished and will be presented at a launch event in early 2017. We are convinced that our insights will help legislators, standard setters and professional bodies better understand and combat pressures to act unethically. Our Accounting Expert Group, chaired by Richard Martin, is putting finishing touches to the second survey about the so called "Trickle Down Effect". This survey will address the impact

that accounting rules for listed companies have over time on smaller entities, for which they were never designed. Already now, organisations like the IASB and European Financial Reporting Advisory Group (EFRAG) have voiced their interest in our findings. We believe that the insights gained from these surveys will benefit standard setters and the industry but most importantly business and society more widely.

It is not possible for me to mention all of the other many activities of our excellent expert groups, but I want to point out that EFAA had been specifically requested to respond to SME related matters to the IFRS 16 consultation of the EFRAG and that we responded to the International Auditing and Assurance Standards Board's (IAASB) consultation on its work plan and strategic objectives and the Consultation on the Strategic Review of IFAC Regional Engagement. We will continue to expand our responsive work but even more importantly our proactive work. You will soon hear about hiring the required human resources. Building a cohesive, committed and competent team of staff and experts from our members will be one of EFAA's top priorities in the first months of 2017.

We also made significant enhancements to our member relations and member communications efforts. With the publication of two detailed newsletters and thirteen "Latest from Brussels" in 2016, we are responding to your request at the Council Meeting in Paris for a much more effective communication structure. It's hard to believe that in 2013 we discussed

*If we are to achieve things never before accomplished,
we must employ methods never before attempted.*

Francis Bacon

how we might introduce “some kind of written newsletter”? We also held exciting Council meetings in Paris last February and in Ljubljana in early December 2016, where we discussed important professional topics with you, based on external and EFAA expert presentations. At the latter meeting we received stimulating and informative presentations on digitalization, a trend that stands to greatly impact our profession, and discussed at great length the implications for the profession and how we might respond.

In 2017 we plan to publish two “Latest from Brussels” per month. We also want to improve the substance in these publications to help you better understand how our work relates to legislative initiatives, new standards or other relevant topics. The Leadership Dialogues will also continue to ensure honest and open feedback from every member organisation throughout the year.

I am especially happy to report that the international visibility of EFAA significantly increased. This was in evidence when I was able to observe the IFAC Board Meetings in Sydney and in Brasilia by personal invitation. We were also invited to several meetings with the new leadership of EFRAG, the last one being a meeting with President Jean-Paul Gauzès and CEO Andrew Watchman. We remained an influential member of the IAASB, IESBA and IAESB Consultative Advisory Groups represented through our Director of Professional Development Marie Lang. In addition, our contacts to the EC, particularly to the units responsible for professional regulation, accounting and auditing legislation and SME policy

have probably never been closer. Only recently EFAA Special Advisor Robin Jarvis was appointed to the EC Multi Stakeholder Group on e-invoicing on behalf of EFAA. Our visibility has similarly risen in the European Parliament, with several meetings with vocal members of the Committee on Economic and Monetary Affairs. We also engaged in numerous speaking engagements, the last one being at the United Nation's UNCTAD ISAR 33 Conference in Geneva, where I reported about our support of Europe's SMPs. Finally, in 2016 EFAA was approached by a record number of bodies interested in becoming an EFAA member. We welcomed six new members in 2016 from Albania, Austria, Azerbaijan, Germany, Kosovo and only recently, Belgium – welcome again.

In 2017 we plan to have greater influence and impact. This will be made possible by a manager for public affairs. This will help us further increase our presence in the European Commission and Parliament and continue our ever-closer cooperation with other key stakeholders for Europe's SMPs and SMEs.

Although many of these activities were not obvious to all our members I am convinced that all members will benefit from these important steps.

Last but by no means least let me take this opportunity to thank all members of our EFAA team, particularly the members of our Board of Directors: Lamiya Bayramova (CAAR), Maurice Buijs (NBA), Ezequiel Fernandes (OCC), José Maria Hinojal (CGE-REA) and Marcus Tuschen (DStV). Maurice, who is serving as new EFAA Treasurer,

deserves a special mention for the implementation of our new financial reporting. And I also want to thank our Director of Professional Development Marie Lang and EFAA Accounting Expert Group Chair Richard Martin for their dedication and excellent work. Our Project Coordinator Felix Martens worked tirelessly behind the scenes in support of our mission. I also thank all members of our Expert Groups, our Special Advisor Robin Jarvis and you as our members, for serving Europe's SMPs.

Ensuring that the interests of SMPs and SMEs are heard in Europe and beyond is neither easy nor should it be taken for granted. But I am convinced that it is in the interest of your business and society at large that SMPs and SMEs are heard. “If we are to achieve things never before accomplished we must employ methods never before attempted” said Francis Bacon, the great English philosopher, statesman and scientist. This year, we tried new ways and we felt that it is not important how loud you scream, but what you say, to be successful. I am therefore looking forward to working closely together with you, our valued member, and ask you to share any comment, criticism or ideas with me or our team at any time.

Merry Christmas and a happy and prosperous New Year,

A handwritten signature in blue ink, which appears to read 'Bodo Richardt'.

Bodo Richardt
EFAA President

Experts Invigorate EFAA Workshops on SMP Digitalisation

On 5 and 6 December 2016, the European Federation of Accountants and Auditors for Small- and Medium-sized Enterprises (EFAA) invited its member organisations to the EFAA 2016 Council Meeting in Ljubljana, Slovenia. The meeting took place at the Hotel Union Business in the heart of the Slovenian capital as well as at the Slovenian Chamber of Commerce and Industry.

The annual EFAA Council Meeting gathers the leadership and experts of EFAA's member organisations, which are national accounting, auditing and tax advisor chambers, institutes and associations. They jointly represent more than 370,000 professionals in Europe.

As a "think tank" event, the EFAA Council Meeting raises awareness for issues of strategic importance. The leadership of EFAA's member organisations and their experts exchange views on these issues and contribute to EFAA's policy agenda setting and project development. Their discussions, which take place in thematic workshops, are preceded by expert presentations on selected

topics. Since EFAA is Europe's only accountancy organisation focusing exclusively on the needs of small- and medium-sized practices (SMPs), the topics of the expert presentations revolve around their needs.

The 2016 Council Meeting theme was "Digitalisation: Friend or Foe of SMPs". The meeting was opened by EFAA President Bodo Richardt and CCIS-CAS President Aleksander Štefanac, who both stressed the need for professional organisations to support SMPs in an ever faster digitalizing world. EFAA President Bodo Richardt reminded the participants that "larger entities have the means to run departments on digitalisation, while most SMPs have to analyze the threats and opportunities for their business models in parallel to their everyday operations. Consequently, we as professional organisations have an important role to play in supporting SMPs in their endeavor to make the most of digitalisation for their clients and their business."

After the opening of the meeting, the EFAA President welcomed Oliver Günther as Keynote Speaker.

Prof. Günther is the President of the University of Potsdam and former President of the German Informatics Society (GI). As an expert on enterprise information systems, IT strategy, and database management, Mr Günther provided an invigorating introduction to the changing business processes, data infrastructure and software architecture. He highlighted that most entrepreneurs miscalculated the cost of implementing new IT systems, focusing on choosing the right software and hardware. Mr Günther explained that while this was essential for business success, entrepreneurs needed to understand that up to 75% of the costs related to digitalisation are caused by "digital organisation". Businesses need to acquire or train staff, adjust their processes and develop an "IT-culture" including aspects such as IT security.

After the keynote speech, four experts made presentations on three topics of high relevance for SMPs. Each topic was concluded with a workshop which prioritized the aspects most relevant for EFAA and its members and gave recommendations on future projects. ▶

EFAA President Bodo Richardt – "Professional organisations have an important role to play in supporting SMPs in their endeavor to make the most of digitalisation for their clients and their business."



PHOTO: EFAA

Keynote Speaker Günther Oettinger reminded the participants that digitalisation was not a new phenomenon – and that its strongest impacts would start to unfold in the coming years.



PHOTO: EFAA

- The presentations and workshops focused on:

- **Industry 4.0 and Services of the Future**

The topic “Industry 4.0 and Services of the Future” focused on the changes that the small- and medium-sized enterprises (SMEs) as most important clients of SMPs will undergo. The expert presentation was held by Igor Zorko, President of the Chamber of Informatics and Telecommunications of Slovenia and general manager of ZZI Ltd, a leading service provider in e-customs, e-invoicing and SME Industry 4.0 connectivity in Slovenia. Mr Zorko highlighted new business models (“Uberisation”) and supply chain transformations in particular. He explained that there was a clear shift to the use of so called “one stop shops” by SMEs, a digital platform which provides solutions for related needs, such as banking, assurance, tax and accounting services. Mr Zorko reminded the EFAA Council that SMEs needed support in the adaptation to practices such paperless tax and customs procedures as well as standardized SME finance disclosures.

- **Cyber Security**

The second topic addressed an issue of equal importance for SMPs and their SME clients: cyber security. EFAA had invited José Maria Pedro, an information systems auditor for the Portuguese Financial Control Agency, with a background in accounting, IT systems and programming. Mr Pedro introduced the audience to the greatest threats to cyber security, for example botnets and ransomware. Mr Pedro noted that less than one third of Europe’s enterprises follow a formally defined ICT security policy and that it was easy for enterprises



PHOTO: EFAA

The participants and speakers of the second day at the Slovenian Chamber of Commerce and Industry.

Martin de Bie on the Agile code and the impact of Digitalisation on business organisation.



PHOTO: EFAA

to “get lost in the cyber forest”, i.e. not knowing which measures or policies were essential for them. He introduced the EFAA Council to the structural requirements to an ICT security policy and introduced some globally recognized standards which could help SMPs and SMEs improve their cyber security.

- **SMPs 2030**

The last topic focused on the impact of Digitalisation on SMPs and their business models. Since this topic is at the heart of EFAA’s and its members interest, two speakers addressed the issue.

The first speaker was Dr Lars Meyer-Pries, Head of Strategic Developments Legislation, Market, Profession and Member of the Executive Committee at DATEV, one of Europe’s leading software providers for the accounting profession. Dr Meyer-Pries warned that the profession and particularly SMPs needed to look beyond services such as keeping books and preparing financial statements in order to generate added value for their clients in the future. He urged the participants: “Don’t stick with never change a running system – better run a changing system!” SMPs should focus on a “cloud and mobile first” strategy now, in order to be ready ►

- ▶ to provide more consulting and rapid response focused services in the future.

The second speaker, Martin de Bie, is the advisor new technology and innovation at 216 Accountants, a medium-sized accounting firm in the Netherlands. Mr de Bie opened his presentation by alerting the participants: "[t]he sector is rapidly digitalising and therefore offers lots of innovation chances!" In his presentation, Mr de Bie showed an example for state of the art intelligent accounting software works and introduced the audience to the principles and the potential of block chain technology for the financial sector.

Following the expert presentations, the participants split up into two workshops to address the three topics of the expert presentations. They discussed the most important aspects for SMEs and SMPs and gave recommendations on joint EFAA policies and projects.

Rapporteurs from each workshop presented the results in a plenary sessions after each workshop, which allowed the participants to ask questions about or comment on the findings of the workshop they had not attended. The results of the workshops will now be analysed by the EFAA secretariat and used to inform and guide our work programme for the coming year, as well as formalized and distributed to all members.

The EFAA is grateful to all participants for their active engagement and the high quality and lively discussions throughout the two days. We would like to pay particular thanks to CCSIS-CAS and their President Aleksander Štefanac and CEO Polona Podgorsek for their generous support in hosting the event.

EFAA Special Advisor Appointed to European Commission Stakeholder Group on E-Invoicing

The digitalisation of Europe's economy is in full swing, and one important aspect of this process is the introduction of electronic invoicing (e-invoicing). E-invoicing is the exchange of the invoice document between a supplier and a buyer in an integrated electronic format, which ideally is standardised. Traditionally, invoicing, like any heavily paper-based process, is labour intensive and is prone to human error. This results in increased costs. Not surprisingly, there is compelling evidence that e-invoicing saves money for the involved parties. Research suggests that the average cost of a paper-based invoice is € 30, compared to less than € 5 for processing an electronic invoice. The savings per year in Europe if e-invoicing were to be adopted by all businesses and the public sector would be vast.

Until recently, the EU trailed behind other players like Mexico, where mandatory business to government (B2G) e-invoicing had been introduced in 2002. But the e-invoicing landscape in Europe is changing drastically, particularly since the introduction of EU Directive 2014/55/EU. The Directive, which must be transposed into national law by 27 November 2018, stipulates that all EU public contracting authorities (including local authorities, schools, hospitals and government) will receive and process e-invoices from suppliers. These e-invoices will comply with a common European standard. Many larger businesses already benefit from receiving or issuing e-invoices. However, SMEs are lagging seriously behind in the adoption.

The European Commission (EC) set up a Multi-Stakeholder Group to monitor the development of the e-invoicing market and the adoption of e-invoicing across the EU Member States. It brings together delegates from national e-invoicing fora and key stakeholders from the user side of the market. EFAA Special Advisor Robin Jarvis has recently been appointed as a member of the EC Multi-Stakeholder Group on behalf of EFAA. On the Multi-Stakeholder Group, Prof. Jarvis, who is also teaching at Brunel University in London, promotes SMPs as vital players who can help SMEs in the adoption of e-invoicing and ensures that the interests of SMPs and their SME clients are considered by the EC.

The EC is aware many SMEs have contracts with public authorities and that SME suppliers may have problems setting up systems to meet these requirements. This leads to a great opportunity for SMPs to increase their fee income by supporting their client SMEs by gaining knowledge and developing the skills to create e-invoices that comply with this European standard.



EFAA Special Advisor Robin Jarvis represents the interests of SMPs and SMEs at the Multi-Stakeholder Group on e-invoicing.

EFAA Members Welcome Belgian Institute IEC-IAB as New Member

On 16 December 2016, EFAA President Bodo Richardt congratulated the President of the Belgian Institute of Accountants and Tax Advisors (IEC-IAB) Benoît Vanderstichelen and his colleague Vice President Bart van Coile in a telephone call to the admission of their organisation as Observer Member of EFAA as of 1 January 2017.

The postal ballot among EFAA's members, which ended on 15 December 2016, resulted in unanimous support for IEC-IAB's application as Observer Member. The Belgian institute is well represented internationally. It has been a member of IFAC since

1985 as well as an active member of Accountancy Europe, the tax advisor organisation CFE, and the francophone accountancy association FIDEF.

IEC-IAB represents more than 6.000 accountants and tax advisors in Belgium and protects the public interest by facilitating the proper practice of the profession, safeguarding the independence of its members, monitoring, oversight and professional training.

IEC-IAB is already the sixth organisation which has been admitted as EFAA member in 2016. This shows

the growing international recognition of EFAA as the voice for the interests and needs of small- and medium-sized accounting practices.



The Logo of EFAA's new member: the Belgian Institute of Accountants and Tax Advisors, IEC-IAB. Like many organisations in Belgium, IEC-IAB operates bilingually. Its official languages are Dutch and French.

IFAC Elects New President Rachel Grimes in Brasilia

The International Federation of Accountants (IFAC) announced the election of Rachel Grimes (Australia) as New President on 22 November 2016. Ms Grimes will hold office for a two-year term effective through November 2018. She is IFAC's second female President, and will work with In-Ki Joo (South Korea) as Deputy President.

Ms Grimes is member of the Institute of Chartered Accountants in Australia. She is CFO of Technology at Westpac, a multinational financial services firm, and previously served as Director of Mergers and Acquisitions. Rachel Grimes served on the IFAC Board since 2011, and had been elected Deputy President in 2014. EFAA President Bodo Richardt congratulated Rachel Grimes personally in Brasilia: "I am personally very happy with the choice of Rachel Grimes as new President.

She has extensive experience both professionally as well as within IFAC. She understands that the needs of our profession depend on their national and regional circumstances, and on the type of practice – larger or smaller – they are working in. She also has extensive knowledge of information technology, which I consider as a great asset."

The election took place during the IFAC Council Meeting on 16 November 2016 in Brasilia. EFAA President Bodo Richardt attended the Board meeting in Brasilia as an observer by personal invitation. This was the second time in 2016 that the EFAA President had been invited to observe an IFAC meeting, after attending the IFAC Board Meeting on 8 and 9 September 2016 in Sydney. The invitations followed a series of discussions with the IFAC leadership about the recognition of EFAA's work for SMPs

The newly elected IFAC President Rachel Grimes, EFAA President Bodo Richardt and past IFAC President Olivia Kirtley.



PHOTO: EFAA

in Europe and beyond. Mr Richardt furthermore had contributed to the IFAC-SAFA Regional SMP Forum in Colombo in January 2016 as a speaker and had invited IFAC to contribute to the EFAA 2016 International Conference in Madrid. Beside the President and her Deputy, the IFAC Council also elected the members of the IFAC Board. Wienand Schruff (Germany), Michael Hathorn (UK), Gail McEvoy (Ireland), and Sebastian Owuama (Nigeria) were reappointed for a second term and Philippe Arraou (France), Tommye Barie (United States), and Idesio da Silva Coelho (Brazil) were newly elected. EFAA President Bodo Richardt congratulated all new Board members to their election, but particularly former EFAA President Philippe Arraou.

Building Alliances – Board Members Represent EFAA at Romanian and Bulgarian National Conferences

EFAA increased its membership and the international recognition for the case of Europe's SMPs continuously over the past two years. Building alliances with well-respected international and national organisations is an essential part of this effort. EFAA President Bodo Richardt and EFAA Board Member Lamiya Bayramova therefore followed the kind invitations by the Body of Expert and Licensed Accountants of Romania (CECCAR) and the Institute of Certified Public Accountants in Bulgaria (ICPA) respectively.

EFAA-President Bodo Richardt participated in the biennial CECCAR Congress on 23 and 24 September in Bucharest. The Body of Expert and

Licensed Accountants of Romania was hosting the convention for the 21st time. 500 experts in the field of accounting, finance and audit discussed the future of "The Accounting Profession in the Digital Era – Challenges and Opportunities".

Beside the panels Mr. Richardt talked to numerous colleagues from Romania, Bulgaria and further Eastern European countries. The main focus of the discussion was how to improve the relations between professional organizations in Europe. Since many of the regional professional organisations have primarily SMPs as their members he found wide support for EFAA-positions.



PHOTO: CECCAR

EFAA-President Bodo Richardt next to FEE President Petr Kriz listening to the Opening Session of the 21st CECCAR Congress.
In the second row: IEKA President Hysen Cela.

As a direct result of the discussions in Bucharest, EFAA received an invitation to the 20th anniversary of the ICPA Bulgaria on 28 November 2016. EFAA Board Member Lamiya Bayramova participated on behalf of EFAA and further deepened the discussions with the Bulgarian and other Eastern European organisations on potentials to cooperate on SMP issues. The contact with both the Romanian and the Bulgarian institutes has been sustained since the visits and the fruitful exchange will continue in 2017.

EFAA President Represents European SMP View at UNCTAD ISAR 33

In 2016, EFAA-President Bodo Richardt was invited to speak on the UNCTAD ISAR in Geneva for the second year in a row. The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) is a high-level-meeting hosted by the United Nations Conference on Trade and Development (UNCTAD).

Mr. Richardt seized the opportunity to set out EFAA's views on behalf of Europe's SMPs in the presence of a high-ranking audience of national and international professional organisations, experts and governmental representatives.

The EFAA President presented the findings and implications of the EFAA-Survey on the new EU Accounting Directive. Afterwards he introduced the concept of the "Trickle Down Effect", which describes the impact that accounting rules for listed companies have over time on smaller entities. This can be problematic, because the needs of smaller- and medium-sized entities were not considered during the formulation of the standards. EFAA will publish a survey of its Accounting Expert Group on the "Trickle Down Effect" in the first half of 2017. As last topic of his agenda Mr. Richardt addressed the topic "Integrated

Reporting and SMEs". He noted that voluntary integrated reporting could be valuable for SMEs, because their SMP advisors could provide management and staff with a new understanding of their value creation.



PHOTO: UNCTAD

EFAA-President Bodo Richardt presents on the ISAR-Panel "Updates by international and regional Organizations".



EU Update/ Recommended Reads

EFAA RESPONDS TO IFAC SRP CONSULTATION

The International Federation of Accountants (IFAC) asked EFAA to respond to a strategic review of its regional engagement. In the consultation, which was launched in September 2016, IFAC proposed a Strategic Regional Partner Model. The model suggests more flexibility in the cooperation between IFAC and regional organisations.

EFAA generally supports IFAC's proposed model, which has the potential to be more supportive of IFAC's public interest mandate, since it is fairer and more inclusive than the current model. In its response to the consultation, EFAA particularly highlighted that it was important not to preclude more than one organisation from each region being represented at IFAC. The EFAA response furthermore highlights the need for equal treatment of organisations representing different constituencies or sectors, such as PAIB, large firms, public sector, SMP and others.

EFAA RESPONDS TO EFRAG IFRS 16 CONSULTATION

On 12 October 2016, EFRAG issued a Preliminary Consultation Document on the endorsement for use in the EU of IFRS 16 Leases. IFRS 16 replaces IAS 17 Leases and associated interpretations. It eliminates the classification of leases as either finance or operating for lessees and requires lessees to recognise assets and liabilities for all leases, with some optional exemptions. IFRS 16 will become effective for annual periods beginning on or after 1 January 2019, with earlier application permitted under certain conditions.

EFRAG called for the views of stakeholders by 8 December 2016, with a special focus on the impact of IFRS 16 on SMEs. EFAA's response was developed by the EFAA Accounting Expert Group, chaired by Richard Martin. Our response highlighted that SMEs will likely be affected by IFRS 16 through the alignment of national GAAP with the standard. It pointed to EFAA's research on the "trickle down" effect, which will likely conclude that accounting treatments in full IFRS are gradually applied to SME accounting. EFAA stated that it expects significant costs for SMEs to implement the new leases standard. The response welcomed EFRAG's approach to assessing the likely impact of IFRS on SMEs. It went on to recommend that EFRAG ensure that a post-implementation review, extending to the impact on SMEs, be conducted either by the IASB or themselves.

IAASB LAUNCHES AGREED UPON PROCEDURES CONSULTATION

On 29 November, the IAASB Agreed-Upon Procedures (AUP) Working Group published the consultation paper ["Exploring the Demand for Agreed-Upon Procedures Engagements and Other Services, and the Implications for the IAASB's International Standards"](http://www.ifac.org/publications-resources/discussion-paper-exploring-demand-agreed-upon-procedures-engagements-and). [http://www.ifac.org/publications-resources/discussion-paper-exploring-demand-agreed-upon-procedures-engagements-and] The Working Group, formed in 2015, supports the IAASB in its information-gathering on AUP engagements. The paper seeks to obtain views from stakeholders on the development of a standard-setting project proposal to revise ISRS 4400 and other activities that might be necessary.

EFAA's Auditing Expert Group will address the AUP Working Group paper and prepare a response reflecting the interests of Europe's SMPs. The deadline for the consultation is 29 March 2017.

IAESB LAUNCHES CONSULTATION ON CHANGES TO INTERNATIONAL EDUCATION STANDARDS

The IAESB launched a consultation on ["Proposed Editorial Improvement to International Education Standards, Framework for International Education Standards for Professional Accountants and Aspiring Accountants, and IAESB Glossary of Terms"](http://www.ifac.org/publications-resources/proposed-drafting-changes-ies-framework-ies-professional-accountants) [http://www.ifac.org/publications-resources/proposed-drafting-changes-ies-framework-ies-professional-accountants] on 11 December 2016. ▶



EU Update/ Recommended Reads

- ▶ The proposed changes appear to be editorial in nature, removing inconsistencies among the IESs, the Framework 2015, and the IAESB Glossary of Terms. EFAA will assess the need to respond to the consultation early in 2017. The deadline for the response to the consultation is 15 March 2017.

EC CALLS FOR COMMENTS ON TAXATION, MUTUAL ASSISTANCE BETWEEN MEMBER STATES

On 30 November 2016, the EC's Directorate General on Taxation and Customs Union called for comments on the ["Public consultation on the functioning of mutual assistance between EU Member States for the recovery of taxes"](https://ec.europa.eu/taxation_customs/consultations-get-involved/tax-consultations/public-consultation-functioning-mutual-assistance-between-eu-member-states-recovery-taxes_en). [https://ec.europa.eu/taxation_customs/consultations-get-involved/tax-consultations/public-consultation-functioning-mutual-assistance-between-eu-member-states-recovery-taxes_en] On the basis of Council Directive 2010/24, EU member states can provide mutual assistance for the recovery of unpaid taxes to each other. The consultation, which is open until 8 March 2017, explicitly seeks the input of individuals and organisations confronted with such recovery assistance procedures other than tax administrations. It aims to gather views from stakeholders about their experience of the current rules and potential future improvements. EFAA will assess the need for a coordinated response with its members focusing on taxation in January 2017.

EC CONSULTATION ON TAX AVOIDANCE SCHEMES

The EC's Directorate General on Taxation and Customs Union calls for responses to a ["Consultation on Disincentives for advisors and intermediaries for potentially aggressive tax planning schemes"](https://ec.europa.eu/taxation_customs/consultations-get-involved/tax-consultations/consultation-disincentives-advisors-and-intermediaries-potentially-aggressive-tax-planning-schemes_en) [https://ec.europa.eu/taxation_customs/consultations-get-involved/tax-consultations/consultation-disincentives-advisors-and-intermediaries-potentially-aggressive-tax-planning-schemes_en] by 16 February 2016. The consultation focuses on stakeholder views on items such as criteria to classify tax schemes as potentially aggressive, or the treatment of tax planning schemes that include countries on the EU's future list of third country jurisdictions that fail to comply with tax good governance standards. EFAA will assess the need for a coordinated response with its members focusing on taxation in January 2017.

Upcoming Events 2017

- **January 25**
Edinburgh Group Meeting, Paris
- **January 26 – 27**
IAASB SMP Working Conference, Paris
- **March 1**
Edinburgh Group Meeting, New York
- **March 2 – 3**
IFAC Board Meeting, New York
- **March 6**
IESBA CAG, New York
- **March 7 – 8**
IAASB CAG, New York
- **March 15 – 17**
Global Ethics Summit 2017, New York
- **June 8**
EFAA International Conference, Berlin
- **June 9**
EFAA 2017 Annual General Meeting, Berlin

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.

About EFAA

The European Federation of Accountants and Auditors for small and medium-sized enterprises (EFAA) is an umbrella organisation for national accountants and auditors' organisations whose individual members provide professional services primarily to SMEs in Europe. EFAA has 17 members throughout Europe and represents more than 370,000 accountants, auditors, and tax advisors on their behalf in Europe and beyond.

SMEs are the back bone of Europe's economy and Small and Medium-sized Accounting, Auditing and Tax Advisor Practices (SMPs) are their most important business advisors. They help entrepreneurs gain access to finance, and they provide valued business advice allowing them to grow sustainably.

However, most accounting and auditing rules and standards are set up at the EU or international level and are often inspired by large companies and oriented towards their needs. EFAA supports Europe's SMPs through our strategy to inform – advocate – connect. We provide our members and regulators with an evidence based small business perspective on political and regulatory innovations (inform). We advocate for the interest of Europe's SMPs and SMEs by providing feedback to consultations and with direct dialogue with political stakeholders (advocate) and we connect our members and the professionals they work for to foster the exchange of best practices and the development of a strong SMP and SME sector in Europe (connect).

Please find more information about EFAA and our work on our website: www.efaa.com.

Contact Address / Imprint

European Federation of Accountants and Auditors
for Small- and Medium-Sized Enterprises (EFAA)
4, Rue Jacques de Lalaingstraat
B-1040, Brussels, Belgium
T +32 2 736 88 86, F +32 2 736 29 64
info@efaa.com, www.efaa.com