



Federation of European Accountants
Fédération des Experts comptables Européens

INFO

Standing for trust and integrity

For immediate use: 22 September 2008

FEE praises Member States' progress on auditors' liability reform Sweden announces proposal to limit auditors' liability: other Member States should do the same

Brussels – FEE (Fédération des Experts comptables Européens – Federation of European Accountants) welcomed the important move of Sweden toward the end of the regime of unlimited auditors' liability. Further to recent reforms in Bulgaria, Latvia and Slovakia, 10 Member States now have a limitation in place or are in the process of implementing one.

In a report released on 17 September, the Swedish government announced a proposal to cap auditors' liability at 100 million SEK (10.3 millions Euros) per assignment.

FEE President Jacques Potdevin welcomed this evolution "today already more than one third of EU Member States have understood the importance of limiting appropriately auditors' liability, be it in the form of a cap, a limitation based on proportionality, a combination of both or other appropriate solutions. Such reforms are in the interest of the EU Internal Market and of stakeholders". He applauded the efforts of FEE member bodies, helping the European Union take a leadership position in this global debate.

On 6 June, the European Commission addressed a Recommendation to the Member States to introduce a limitation to auditors' liability. FEE welcomed this initiative and encouraged the EU Member States to implement the Commission Recommendation in a way that accommodates their different legal systems. The accountancy profession had been stressing the need to secure market confidence and stability in the interest of all stakeholders and the necessity to sustain appropriate insurance coverage for auditors' liability, an impossible goal in a regime of unlimited joint and several liability.

Dan Brännström, Secretary General of the Swedish Professional Institute of Accountants FAR SRS, explained that "it is high time to introduce limited liability for auditors in Sweden. Today only very few audit firms have the capacity to audit listed companies and the existing liability renders the growth of additional global audit firms more or less impossible".



Olivier Boutellis-Taft, CEO of FEE, added "it is significant that such an advanced economy as Sweden joins the expanding community of Member States limiting appropriately auditors' liability. The trend is now set. All EU Member States have to inform the Commission of actions taken in light of the Recommendation by 5 June 2010 and FEE will closely monitor developments."

– ENDS –

NOTES FOR EDITORS

About Auditors' liability

The European Commission issued a Recommendation concerning the limitation of the civil liability of auditors on 6 June 2008 further to a broad consultation, independent study and impact assessment (see http://ec.europa.eu/internal_market/auditing/liability/index_en.htm).

As from today, the Member States where a limitation is already in place or is in the process of being implemented are: Austria, Belgium, Bulgaria, Germany, Greece, Latvia, Slovakia, Slovenia, Sweden and the United Kingdom.

About FAR SRS

FAR SRS is the professional institute for authorised public accountants (auktoriserade revisorer), approved public accountants (godkända revisorer) and other highly qualified professionals in the accountancy sector in Sweden. FAR SRS includes approximately 5.000 authorised public accountants, approved public accountants and specialists. FAR SRS plays a leading role in the development of professional standards, education and information for the accountancy profession in Sweden.

About FEE

FEE (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 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.

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