

PRESS RELEASE



UNICE

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EUROPE ORGANISES ITSELF IN THE FIELD OF ACCOUNTING!

The European Financial Reporting Advisory Group has installed its Technical Expert Group and Supervisory Board.

The main actors interested in financial reporting – including users, preparers, accountancy profession - , supported by the national standard setters, have created EFRAG – the European Financial Reporting Advisory Group. In the presence of John Mogg, Director General for the Internal Market in the European Commission, Göran Tidström, Chairman of the EFRAG Supervisory Board announced the names of the members of the Technical Expert Group which were selected out of over 30 highly qualified candidates from Europe:

Johan van Helleman	Chairman
Yves Bernheim	
Andreas Bezold	
Allan Cook	
Stig Enevoldsen	
Begoña Giner	
Hans Leeuwerik	
Freddy Méan	
Eberhard Scheffler	
Friedrich Spandl	
Giuseppe Verna.	

EFRAG, has as its main aim to give a pro-active contribution to the work of IASB (International Accounting Standards Board). EFRAG will also advise on the technical assessment of the IASB standards and interpretations for application in Europe. The technical work will be carried out by the Technical Expert Group on the basis of a wide consultation process, associating a Consultative Forum of all European standard setters. The European Commission and FESCO have accepted each an observer seat on the Technical Expert Group.

A special subcommittee of EFRAG will be established in close cooperation with the European Insurers Association (CEA) to deal with insurance matters. Insurance has priority in Europe given the fact that there is no IAS on insurance yet, whereas insurance undertakings have to apply IAS from the financial year 2005 onwards like other listed companies.

The EFRAG Supervisory Board will monitor the work of the Technical Expert Group and ascertains that the individual members work in the European interest. The involvement of the experts from European organisations which represent the main parties interested in financial reporting is the best guarantee that the European interest will be taken into account. It also enhances the legitimacy and credibility of EFRAG. The names of the Supervisory Board members are attached.

Chairman of the EFRAG Supervisory Board, FEE President Göran Tidström underlined: "This is a unique event, bringing highly qualified experts of different background together, a centre of European excellence. These experts will dedicate up to 50 % of their time to the technical work of EFRAG. This gives Europe considerable power to influence and provide input to the work of IASB at an early stage. The voice of Europe will be heard."

The Deputy Chairman of the EFRAG Supervisory Board, Chairman of the Accounting Harmonisation Working Group of UNICE, Jean den Hoed stressed: "It is important that the experts appointed have been selected because of their technical excellence. They are not representatives of countries, organisations or standard setters. They have agreed to work independently in the European interest. This aspect will be closely monitored by the EFRAG Supervisory Board."

Johan van Helleman, Chairman of the EFRAG Technical Expert Group: "It is a major challenge for EFRAG to make Europe influential in the international standard setting process. I am delighted that so many eminent professionals are prepared to dedicate a large part of their time to EFRAG, at a time when Europe will soon become the largest user of IAS in the world."

The Technical Expert Group is expected to meet for the first time in September 2001. Brief biographies of the members of the EFRAG Technical Expert Group are attached.

EFRAG is supported by the following European Organisations:

Preparers: UNICE, EBF, ESBG, GEBC, and CEA

SMEs: UEAPME and EFAA

Users: FESE and EFFAS

Accountancy profession: FEE

These organisations are the founding fathers of EFRAG.

In short:

- EFRAG has appointed its Technical Expert Group.
- Johan van Helleman is appointed as Chairman of the Technical Expert Group.
- Members of the Supervisory Board of EFRAG are publicly announced.
- European organisations of preparers, including SMEs, users and the accountancy profession announce the launch of EFRAG.
- EFRAG is not only the expert level of the endorsement mechanism but it is more.
- EFRAG most importantly has a proactive role: European input and influence in the development of IAS.
- EFRAG is established in close cooperation with the standard setters. A wide consultation including a Forum of European standard setters will be set up.
- An Insurance Subcommittee is to be set up soon.

Notes to Editors

1. On 13 February, the European Commission has presented a proposal for a Regulation that will require all EU companies listed on a regulated market, including banks and insurance companies, to prepare consolidated accounts in accordance with International Accounting Standards (IAS). This requirement will enter into force at the latest in 2005. Member States would have the option to extend this requirement to unlisted companies and to the production of individual accounts. The Regulation will help eliminate barriers to cross-border trading in securities by ensuring that company accounts throughout the EU are more transparent and can be more easily compared.

The proposals will also establish a new EU mechanism to assess International Accounting Standards adopted by the International Accounting Standards Board, the international accounting standard-setting organisation based in London to give them legal endorsement for use within the EU. Under this mechanism, there will be an Accounting Regulatory Committee that will operate at political level under established EU rules for decision-making by regulatory committees.

An accounting technical committee will be set up as a private-sector initiative, named EFRAG "European Financial Reporting Advisory Group", by the main actors interested in financial reporting (including users, preparers, the accounting profession and national standard setters). The accounting technical committee will provide technical expertise concerning the use of IAS within the European legal environment. It will participate actively in the international accounting standard setting process and organise the coordination within the EU of views concerning international accounting standards.

2. EFRAG has a two-tier level: a Technical Expert Group of highly qualified experts to carry out the technical work and a Supervisory Board of European Organisations to guarantee representation of the full European interest and to enhance the legitimacy and credibility of EFRAG.

The four main functions of the Technical Expert Group are as follows:

- Proactive contribution to the work of IASC: Proactive coordination of European standard setters, accounting profession, users and preparers so as to contribute to and influence the IASB standard setting process efficiently. The mechanism should normally provide the IASB with submissions on any discussion paper or exposure draft issued by the IASB or SIC (Standing Interpretations Committee). It would also contribute to the development of technical and conceptual papers on emerging topics that would be brought to the attention of the IASB.
- Initiating changes to the EU Accounting Directives: To help the Commission in their assessment of possible non-conformity of an IAS or SIC with EU Accounting Directives and recommending appropriate changes to the Directives.
- Technical assessment of the IASC standards and interpretations: Confirming or conversely rejecting a standard or interpretation for application in the EU.
- Implementation guidance: Identification of issues for which the IASB general interpretation guidance (i.e. SIC Interpretations) is not sufficient to ensure consistent application of a given standard in the EU. The mechanism would communicate such situations to the IASB and urge it to identify appropriate solutions. Also, in cooperation with European securities markets supervisors, the mechanism would develop implementation guidance specifically relevant to EU listed companies.

EFRAG will operate independently of each of the European organisations involved. A search process for a Secretary General and project managers is on its way.

EFRAG will be operational in September 2001.

3. On 31 July 2000, FEE accepted the Commission's invitation to explore ways and means to bring about the coordination of the accounting profession, users and preparers in the EU as well as accounting standard setters. FEE organised this dialogue within a Task Force of European Organisations, chaired by FEE President Göran Tidström. On 30 March EFRAG was established and the discussions in the Task Force of European Organisations were taken over by the Supervisory Board.

4. EFRAG Technical Expert Group – Biographical Information

Johan van Helleman, Chairman

Johan van Helleman is currently the Chairman of the Dutch standard setter CAR, partner at KPMG and Professor of Accounting at Tilburg University. He was also the convenor of E5+2 (European members IASC Board at the time and the standard setters of those countries). Furthermore he was a member of the IASC Board from 1988 to 1997. From 1978 to 1996 he worked in various functions at Royal Dutch / Shell.

Yves Bernheim

Yves Bernheim is at present partner at Mazars & Guerard in Paris in charge of the international and national accounting practice. From 1987 to 1995 he was Chief Accountant at Banque Indosuez. He is at present a member of IASC's Standing Interpretations Committee (SIC) and served on steering committees of the old IASC on segment reporting and financial instruments. He is also active in the international section of the French standard setter CNC.

Andreas Bezold

Andreas Bezold has worked from 1991 to 2000 in various senior functions in the Dresdner Bank. He serves on the IAS 39 Implementation Guidance Committee. He was a member of the German standard setter GASC Working Group on Financial Instruments. He has been active in committees of both the European Banking Association and the International Banking Association. He brings banking experience to EFRAG.

Allan Cook

Allan Cook has been a full-time member and Technical Director of the UK Accounting Standards Board since its inception in 1990. His former career, in Unilever and Shell, was interrupted by a three-year secondment as Secretary General of IASC 1979-81. As Head, Accounting Research at Shell 1982-90, he represented the views of business at the OECD, IASC and other national and international fora.

Stig Enevoldsen

Stig Enevoldsen is currently partner at Deloitte & Touche in Denmark. From 1987 to 1996 he has been a member of the Danish Accounting Standards Committee, of which he served the last six years as the Chairman. From 1991 to 2000 he was IASC Board member representing the Nordic Federation of Accountants. From 1998 to 2000 he was the Chairman of the IASC.

Begoña Giner

Begoña Giner Inchausti is Professor in Accounting and Finance at the University of Valencia in Spain. She published an impressive list of books and articles in the financial reporting area in Spanish and English. She has served on a number of working groups of the Spanish standard setter ICAC. Since 1995 she is a member of the Technical Accounting Subcommittee of the Contact Committee on behalf of ICAC.

Hans Leeuwerik

Hans Leeuwerik brings over 20 years of experience as controller and preparer of financial statements for Shell Companies and leads a Controllers and Accounting department in Shell Finance Services (Shell International) with staff in the Netherlands, UK and USA. He is since 1987 a member of the preparers delegation in the Dutch standard setter CAR and Chairman of the VNO-NCW (Dutch employers organisation) International Accounting Committee. Before being active on the preparer side, he worked for 10 years with the Dutch institute of accountants, NIVRA.

Freddy Méan

Freddy Méan is financial Officer, Manager of the Accounting finance and tax department of PetroFina SA and member of the Management Committee. He brings nearly 30 years of preparer experience to EFRAG. He is a member of the Board of the Belgian standard setter CNC and member of the accounting committees of ERT (European Round Table) and EFFEI.

Eberhard Scheffler

Eberhard Scheffler is since 1998 member of the German standard setter GASB. He started his career as Chartered Accountant. From 1978 to 1995 he was active in industry with BAT and BATIG (British American Tobacco) as Finance Director and Deputy Chairman. Since 1978 Eberhard Scheffler is lecturing at the University of Hamburg.

Friedrich Spandl

Friedrich Spandl is a certified European financial analyst (CEFA) and works as a financial analyst with the Bank für Arbeit und Wirtschaft AG (BAWAG) in Vienna. He is co-head of the rating / consulting division since 1995. He brings user experience to the Technical Expert Group. In addition he is lecturer at the University of Vienna and was CFO in BAWAG investments in telecommunication and television.

Giuseppe Verna

Giuseppe Verna is at present Vice-Chairman of the Italian Accounting Standards Setting Body and senior partner of the accountancy firm studio verna società professionale in Milan. He served from 1987 to 1992 as Italian representative on the IASC Board. He was for ten years member of the National Board of the Italian Accountancy Body (CNDC) and published several books and articles in the accounting, insolvency and taxation areas.

5. EFRAG Supervisory Board – members

Göran Tidström - Chairman Supervisory Board
FEE President
Partner and Chairman PricewaterhouseCoopers
Sweden

Jean den Hoed - Deputy Chairman Supervisory Board
Chairman of the Accounting Harmonisation Working Group of UNICE
Former Finance Director and member of the Management Board of AkzoNobel
Netherlands

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Jean Keller
 Member European Round Table
 Member of the Board of Directors of LAFARGE
 Member of the Standards Advisory Council OF IASB
France

Sten Fornell
 Member European Round Table
 Executive Vice-President and Chief Financial Officer, Telefonaktiebolaget L M Ericsson
Sweden

Monica Ciceri
 Head of Group Accounting Standards and Administrative Procedures, FIAT
Italy

Siegfried Dapoz
 Executive Vice-President Finance MIBA AG
Austria

Costas Cotsilinis
 Partner PricewaterhouseCoopers
Greece

FEE

Mary Keegan
 Chairman ASB
 Former technical partner PricewaterhouseCoopers
UK

Harald Ring
 FEE Vice-President
 Partner Treuhand- und Revisions- AG Niederrhein
Germany

Olivier Azières
 Member European Contact Group (ECG)
 Partner Deloitte & Touche
France

David Devlin
 FEE Vice-President
 Partner PricewaterhouseCoopers
Ireland

José Gonçalves Roberto
 Member FEE Accounting Working Party
 Technical Director OROC
Portugal

ECSAs

Paul Chisnall
Chairman Accounts Committee European Banking Federation
Director BBA (British Bankers' Association)
UK

Per Harald Meland
Chairman Accounting and Auditing Committee European Savings Banks Group
Director Norwegian Savings Banks Guarantee Fund
Norway

Hervé Guider
Secretary General European Association of Cooperate Banks
Belgium

CEA

Gérard de La Martiniere
Chairman Economic and Financial Commission, CEA
Member Management Board and Chief Financial Officer, AXA
France

Frédéric Chandelle
Actuary
Member of the CEA Economics & Finance Committee
Belgium

FESE

Paul Arlman
Secretary General FESE
Belgium

Giorgio Behr
Chairman Swiss standard setter (FER)
Switzerland

EFFAS

Janina Cohen
Member of EFFAS Accounting Commission
Chairwoman of French Financial Analysts Accounting Commission
France

Javier de Frutos
Chairman Financial Accounting Commission EFFAS
Spain

UEAPME/EFAA

Robin Jarvis
 Professor of Accounting and Finance, Kingston University
 UK

Jan Verhoeye
 Professor Erasmus Hogeschool Brussels
 Partner De Deyne Verhoeye
 Belgium

Observers

European Commission

Karel Van Hulle
 Head of Unit
 Internal Market Directorate General

6. Description of the Organisations*Accountancy Profession*FEE – Fédération des Experts Comptables Européens

The Fédération des Experts Comptables Européens (FEE) is the representative organisation for the accountancy profession in Europe, currently grouping together the 38 leading institutes in 26 countries, including the 15 Member States, Cyprus, Czech Republic, Hungary, Iceland, Israel, Malta, Monaco, Norway, Romania, Slovenia and Switzerland. Between them these bodies have a combined membership of approximately 400.000 individuals of whom about 45% work in the public practice, providing a wide range of services to clients, whilst the other 55% work in various capacities in industry, commerce, government and education.

FEE commenced operations on 1 January 1987. It took over responsibility for the activities previously carried out separately by the Union Européenne des Experts Comptables, Economiques et Financiers (UEC) and the Groupe d'Etudes des Experts Comptables de la CEE (Group d'Etudes). Both organisations had served the European accountancy profession since 1951 and 1961 respectively.

Further information can be obtained from the FEE Secretariat (rue de la Loi 83, 1040 Brussels – Tel. + 32 (2) 285 40 85, Fax: + 32 (2) 231 11 12) and on its website: www.fee.be.

PreparersUNICE – Union des Confédérations de l'Industrie et des Employeurs d'Europe

UNICE, the representative of employers in Europe, speaks for all companies – of all sizes and in all sectors of activity – vis-à-vis the institutions of the European Union (Council, Parliament, Commission and Economic and Social Committee). Established in Brussels since 1958, UNICE now brings together 34 industrial and employers' federations from 26 European countries.

EBF – European Banking Federation

The European Banking Federation represents the interests of 3,000 banks in the 15 Member States of the European Union and in Iceland, Norway and Switzerland, with total assets of more than euro 10,000 billion.

ESBG – European Savings Banks Group

The European Savings Banks Group (ESBG) represents 24 members from 24 countries with total assets of 2,505 billion euro, total deposits of 1,600 billion euro, total loans of 1,343 billion euro, 1,045 savings banks, 66.000 branches and more than 750.000 employees.

GEBC – European Association of Cooperative Banks

The European Association of Co-operative Banks was created in 1970. Its foundation was based on the need both to strengthen co-operation between European co-operative banking groups as well as to chart a course of action aimed at defending these institutions' professional interests on a European-wide scale. A membership base of more than 30 organisations comprises co-operative banking groups from not only the 15 European Union Member States, but also those from several Central and Eastern European countries.

The European Association of Co-operative Banks is one of the main associations of the European credit industry and is officially recognised as the representative body of the European co-operative banking sector by the European Union institutions and the European Central Bank

As full universal banks, co-operative banks offer their members and clients the complete range of modern banking services. With their *38 million members and over 100 million clients*, co-operative banks today rank among the leading players in the European banking sector.

- Hereunder is a summary of key statistics for Full Member Organisations

Total (EU 15)

Regional/local banks	4.529
Banking outlets	50.885
Members	37.822.800
Clients	103.482.512
Staff	527.219
Total Assets	2.155.860 Million Euros
Deposits	1.316.688 Million Euros
Loans	1.204.216 Million Euros
Market Share	(estimate) 17 per cent

Web site : www.gebc.org

CEA – Comité Européen des Assurances

Set up in 1953, the Comité Européen des Assurances is the federation of national insurance company associations in twenty-nine European countries.

Its aims are:

- to represent European insurers:
 - promoting, defending and illustrating their views within international bodies,
 - providing qualified opinions to public or private European and international organizations with an insurance or reinsurance involvement,
- to exchange information and experience between markets (studies in the interest of European insurance companies and in response to their needs),
- and, in a general way, to put forward the views of European insurers in economic and social debates.

SMEs

UEAPME – European Association of Craft, Small and Medium-sized Enterprises]

UEAPME is the employer's organisation representing the interests, at European level, of crafts, trades and SMEs in the European Union and countries applying for accession to the European Union. It is non-profit seeking and non-partisan. Its 69 member organisations, as of September 2000, consist of national cross-sectoral federations, European branch federations and other associate members that support the SME family. Of the 19 million enterprises in the European Union, UEAPME represents more than 7 million that employ over 30 million people. Across the whole of Europe, UEAPME represents over 10 million enterprises with more than 50 million employees.

EFAA – European Federation of Accountants and Auditors for SMEs

EFAA is a European umbrella Association of Accountancy bodies, primarily serving SMEs.

To qualify as an EFAA member, the EFAA member-association's individual members must be qualified to perform statutory audit in accordance with the qualification requirements set forth in the Eight EEC Directive on Company Law, 84/253/EEC by the Council of the European Communities, or have passed a similar level of education in the Accounting field. Furthermore, and not less important is that, the individual members are SMEs themselves, and that they serve primarily SME clients. This precondition is to safeguard that the accountant possesses a first hand knowledge about the SME environment as a whole.

EFAA was founded in 1994 in The Hague, The Netherlands. In 1996 an office was opened in Brussels.

Further information can be obtained at the EFAA office in Brussels and at the website: <http://www.efaa.com>, where you will also find useful links to most of the member associations.

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Users

FESE – Federation of European Securities Exchanges

The Federation of European Securities Exchanges is the trade association of the Stock Exchanges of the European Union countries as well as Switzerland, Iceland and Norway. The market organisations in the Central and Eastern European countries are eligible to Associate Membership and Warsaw, Ljubljana, Cyprus and Budapest already qualified. FESE's Membership is open to Futures and Options Commodities Markets as well as to Clearing Organisations.

FESE's main focus is to represent the Member organisations to the Institutions of the European Union (Commission, Council and European Parliament) to FESCO (the Forum of European Securities Commissions) and to other regulatory authorities if required. The Federation's staff is run by the Secretary General, Mr Paul Arlman, from their office in Brussels (rue du Lombard 41, 1000 Brussels, web site www.fese.be).

EFFAS – European Federation of Financial Analysts Societies

The European Federation of Financial Analysts Societies (EFFAS), which was established in 1963, is a representative organisation for the analysts societies in Europe bringing together professional societies in more than 15 countries. These bodies have a combined membership of approximately 10,000 individuals, working mainly in the areas of financial analysis and fund management, but also in allied occupations. In addition, the Federation maintains contacts with professional societies in the same discipline which are not members of EFFAS, in order to ensure a representation in the various accounting discussions.

Press Enquiries

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The text of the Joint Proposals can be obtained from FEE:

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