

Brussels, 26th June 2001

Financial reporting: Commission welcomes creation of European Technical Expert Group

The European Commission has welcomed the establishment by the European Financial Reporting Advisory Group (EFRAG) of its Technical Expert Group (see Annex for details of members). The Technical Expert Group will provide high-level technical expertise concerning the use within the European legal environment of International Accounting Standards (IAS), adopted by the International Accounting Standards Board. The Group will also play a crucial role in the international accounting standard setting process. The application of IAS by listed EU companies, in accordance with the Commission's February 2001 proposal for a Regulation (see IP/01/200 and MEMO/01/40), will be a crucial element in establishing a single European capital market by 2005. EFRAG represents the main private sector groups closely involved in financial reporting, namely the accounting professions, stock exchanges, financial analysts and companies preparing accounts (including credit institutions and insurers).

Internal Market Commissioner Frits Bolkestein said: "This private sector initiative is important because it will allow the EU, through its organisations representing industry, banks and insurance, SMEs, the accountancy profession, financial analysts and national standard setters, to play a pro-active role in shaping international accounting standards and in contributing to the work of the International Accounting Standards Board."

The Technical Expert Group set up by EFRAG on 26 June 2001 will provide advice to the Commission in view of the endorsement of existing IAS for their use in the EU. It will also participate actively in the international accounting standard setting process and organise co-ordination within the EU of views of interested parties concerning IAS.

The proposal for a Regulation on IAS, adopted by the Commission on 13 February 2001, as a priority measure of the Financial Services Action Plan (see IP/00/556), would require all EU companies listed on a regulated market, including banks and insurance companies, to prepare consolidated accounts in accordance with IAS as of 2005. This proposed Regulation would establish a new EU mechanism, in which EFRAG's Technical Expert Group will play an important role, to assess IAS adopted by the International Accounting Standards Board, and to give them legal endorsement for use within the EU. Under this endorsement mechanism, an Accounting Regulatory Committee will operate at the political level under established EU rules for decision-making by regulatory committees.

The Commission and FESCO, the Forum of European Securities Regulators, have each accepted an observer seat on the Technical Expert Group. The Technical Expert Group is expected to meet for the first time in September 2001.

Annex: Technical Expert Group Members

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 of 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 has published a large number 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 delegation of companies preparing accounts in the Dutch standard setter CAR and Chairman of the VNO-NCW (Dutch employers organisation) International Accounting Committee. Before being active on the side of companies

preparing accounts, 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 experience as a preparer of accounts 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.