Financial services, financial reporting and auditing: Community programme 2010-2013 to support specific activities

2009/0001(COD) - 31/03/2009

The Committee on Economic and Monetary Affairs adopted the report drawn up by Karsten Friedrich HOPPENSTEDT (EPP-ED, DE) amending, under the first reading of the codecision procedure, the proposal for a decision of the European Parliament and of the Council establishing a Community programme to support specific activities in the field of financial services, financial reporting and auditing.

The main amendments were as follows:

Programme beneficiaries: the Commission should ensure that bodies that carry out activities in third countries, such as the Public Interest Oversight Board (PIOB) and the International Accounting Standards Committee Foundation (IASCF) do not benefit under the Community programme until neutral funding arrangements, including from third countries, form a majority of their total funding.

Lamfalussy committees: sufficient funding should be set aside for a Community contribution to the functioning of the level 3 Lamfalussy committees, to international accounting standard setting, and, in particular, to the IASCF, including the IASB and the European voice, the European Financial Reporting Advisory Group (EFRAG).

Improved governance:Community funding of the level 3 committees and the EFRAG, the IASCF and the PIOB should, in particular in regard to the IASCF, be made conditional upon the practical fulfilment of the governance requirements laid down by the Community.

Financial envelope: the financial envelope for the implementation of this Decision over the period 2010 to 2012 is **EUR 60 million** (the Commission proposed EUR 36.2 million over the period 2010-2013).

In the case where the Commission presents its first appropriation request to the budgetary authority in relation to the International Accounting Standards Committee Foundation, it shall

accompany such request by a report on the governance reforms of that body to be assessed by the European Parliament and by the Council before 15 April of the year of the request. The report shall focus on the governance structure and processes, including the composition and powers of the Monitoring Board. The report shall also focus on the ability of the IASCF and IASB to accomplish their public interest mission in a transparent and efficient manner. The report shall also set out progress as regards the roadmaps for third countries introduction of IFRS for their domestic issuers.

The beneficiary shall also submit an annual report to the European Parliament.

Evaluation: by 1 July 2010, the Commission shall present a plan for reinforcing Community cooperation between audit firm oversight bodies, including how to set up and finance a body similar to those under consideration in respect of the level 3 committees.

Report: as soon as possible, and in any event by 1 July 2010, the Commission shall present to the European Parliament, the Council and the European Central Bank, a report on the need for further reforms of the oversight system taking account of the responsibilities under the Treaty, and shall put forward the necessary legislative proposals.