



IBR-IRE

Instituut van de Bedrijfsrevisoren  
Institut des Réviseurs d'Entreprises

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**6th cross-Border Meeting of Accountants and Auditors  
Chisinau**

**Relation between regulator and profession in Belgium**

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# Situation before legal intervention

No legal dispositions for the 3 Institutes:

- bookkeepers,
- accountants,
- statutory auditors.

Legal intervention:

- bookkeepers and accountants:  
law 1999
- statutory auditors: law 1953

# Legal mandate: who can do what?

- Auditors: (IBR-IRE): Law 1953
  - Organisation of the profession
  - Education of auditors (start + continuous training)
  - Oversight on the quality of the profession
- Fundamental change with EC Directive 43/2006 on audit!  
Possible twice change in future: Barnier proposals on audit!

## Who can do what? Auditors

- After transposition audit directive
  - Organisation of the profession:  
access and registration
  - Organisation of quality control
  - Organisation of enforcement
  - Change: new PO system!! =  
ultimate responsibility!

# Who can do what? accountants

- Legal mandate Law 1999:
  - Permanent organisation: access, register
  - Assurance on competency, independency and professional ethics
  - Control by oversight and sanctions
  - Training and continuous development

# Who can do what? accountants

- By regulation:
  - On training and examination
  - On ethics
  - On function of the organisation (internal regulation)

Public Oversight: High Council of Economic professions

# Relation to the regulator

- Regulator = Minister of Economics and Trade
- Auditors: legal principle: distinction:
  - Standard setting, ethics, independence: by High Council and Minister
  - Enforcement and public oversight: PO system with independent Chamber and deontological Commissions (sanctions)

Reason of distinction: separations of powers!

## Relation to the regulator

- Accountants: no EC directive
- Organisation access, education and sanctioning by Institute
- Public Oversight by High Council: on every law or regulation text ruling the accountancy profession
- New: system of quality control in preparation!

## How the regulator comes to regulation?

- Most cases: draft by profession
- Foreplay: pre-draft discussed in informal contacts profession-regulator-PO system
- Possible changes pre-draft
- Discussion on draft after changes
- Draft text: mostly agreement
- Put on table High Council

# How the regulator comes to regulation?

- High Council discuss in public interest
- Amendments possible
- Final agreement or advice on some points:  
decision send to Minister
- Contacts Ministry with stakeholders
- Decision on final text: leads to:
  - draft law: send to Parliament
  - draft regulation decided by government

# How the regulator comes to regulation?

- Law voted by Parliament or
- Regulation decided by government :
- Published in Official Gazette
- Application followed by administration
- Application on individuals by PO system for auditors and the Council of the Institute of accountants for accountants and tax consultants

## What do we learn?

- Near cooperation profession-regulator
- Pre contacts and discussions=very important
- Pre draft is discussed before any publicity
- Agreement searched before official procedure

## What do we learn?

- After contacts: solution for most of the divergent opinions (compromise)
- Draft on table regulators: HC and Minister
- Agreement with proposal=publishing
- Application monitored

## Remarks on the audit proposals from the EC Commission

- Question: proposal in line with subsidiarity and proportionality? Distinction standard setting and enforcement
- Question: is the regulation form for PIEs acceptable in line with subsidiarity?
- Proportionality: clear opinion from Belgian Parliament!
- Role of the professional organizations?

# Conclusion

- Near cooperation profession-regulator
- Pre contacts and discussions=very important
- Pre draft is discussed before any publicity
- Agreement searched before official procedure
- Longer preparation time = often better regulation
- Take account of situation internationally (IFAC)
- Reflect on the distinction in regulation and enforcement

Thank you for your attention