

## Press Release

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### **Parliament Vote on Audit: One Shy Step in the Right Direction**

#### **EuroFinuse pushes for mandatory tendering after 7 years and auditor rotation after 14 years to achieve a higher quality, dynamic and open audit market**

The EU Parliament JURI Committee has voted today on the new proposals aimed at reforming the audit profession looking to increase audit quality and investor renew confidence in financial reporting.

EuroFinUse believes that the approved text will only partially resolve the problems this Audit Reform was aiming to tackle.

We believe the introduction of a cap on the maximum tenure of a statutory auditor - is an important step forward, although this quarter of a century limit is too long. The lack of a truly mandatory and public tendering process - which cannot happen before 14 years and can be avoided during the whole maximum 25 year mandate of the statutory auditor - will not address the current lack of investors' confidence in financial statements.

Also, the text is over-relying on the role of Audit Committees without thoroughly improving their independence and governance. Additionally, the text ignores the fact that not all EU corporate systems and EU firms have implemented Audit Committees in their national laws, and not all companies have audit committees.

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If you would like additional information about this topic, or to schedule an interview with **Guillaume Prache**, Secretary General please call **Maria Bause** on **+32 (0)2 514 37 77**, or email at [bause@eurofinuse.org](mailto:bause@eurofinuse.org)