

**Press Release**

Brussels, 29 March 2013

**EuroFinUse International Conference on the Audit Reform  
Mandatory tendering and rotation allow for quality and independent audit market**

On 26 March, EuroFinUse, the only organisation dedicated to defend the rights of European financial services users, organised a high-level conference on the audit reform, hosted by British MEP Sajjad Karim, to discuss the proposals linked to audit tenure, non-audit services policy, quality, transparency, pricing as well as those targeting the role of audit committees and shareholder engagement. It brought together more than 130 participants.

Prior to the European Parliament's JURI Committee vote, scheduled for 25 April 2013, the debate amongst the two panel participants were certainly passionate, as the European Commission's I proposal for mandatory rotation of auditors and creation of 'audit-only' firms had previously been shelved by MEP Sajjad Karim, JURI Committee, Rapporteur on the Audit Reform. His revised Report proposed that public interest entities conduct a mandatory retender every 25 years, supported by interim 'independence threat assessments' of their statutory auditors and audit firms.

MEP Masip Hidalgo (S&D) very much welcomed the EuroFinUse event as it gave a voice to the investors across Europe who have been mostly ignored in previous debates. He expressed his concerns regarding *"the persistent lobbying efforts of the 'big 4' to deconstruct the EC proposal on mandatory rotation, quality and independence which are in turn the key issues affecting the EU economy"*. Auditing services play a crucial role in business by promoting transparency, accountability and sound financial management.

MEP Sebastian Bodu (EPP) stated that *"extended regulation does not solve the problem of investor confidence"*. Instead the audit reform should *"integrate the provision of the International Standard of Audit and not extend beyond this scope, because those who are supervising this profession know exactly what is needed to transform it."* In addition *"Audit committee members and not the management should select auditors"*.

Natahlie Berger, Head of Audit and Credit Rating Agencies Unit of the European Commission, stated that by ensuring the enforcement of legislation supervising the audit sector *"it will bring trust and confidence to the investors...and get them to invest in the real economy"*. Therefore *"investors should have more of a say in the choice of auditors and more frequent opportunities to choose or switch auditors"*.

Jella Benner-Heinacher, vice president of EuroFinUse, stressed the end-investors' call for a mandatory tendering every 6-7 years and mandatory rotation after 15 years, as proposed in the joint Universities Superannuation Scheme long-term investor position paper on proposed EU reforms.

Michel Barnier, EU Commissioner for Internal Market and Services held the closing speech reassuring investors that they can *"count on the Commission to continue to be vigilant and to work hand in hand with the European Parliament and the Council to restore investor confidence in company accounts and in the stability of the financial sector, which is a condition of a return to growth."*