

Professional accountants in business in the Belgian context

Dear Madam, Dear Sir, Dear colleagues,

On behalf of the Belgian Institute of Accountants and Tax Consultants (IAB-IEC) I am very pleased to join you today at the IFAC PAIB Committee here in Brussels. I will try to provide you with a brief context of the profession of 'accountants in business' in my home country, Belgium.

First of all I would like very briefly to introduce myself. My name is Daniël Maes and I am a professional accountant and tax consultant in Belgium and therefore a member of the Belgian Institute of Accountants and Tax Consultants (IAB-IEC). After a long career in various practices and positions in Belgian organizations of accountants and tax consultants, I am presently a senior staff member on the study services of the IAB-IEC. Besides my technical skills in accounting and tax matters, I have a broad overview on the organization of the accounting profession in Belgium and I can rely on a large network of Belgian accounting professionals.

The context of the Belgian accounting profession is very specific, with three separate professional Institutes established by Belgian law which supervise the professional practice of their members. The High Council for the Economic Professions (HREB-CSPE) organizes the permanent consultation with each of these Institutes and coordinates the Belgian system of public supervision.

Besides these public institutes for accounting professionals, there are also various non-profit professional associations that are involved with the professional interests of their members, whom they represent, defend and develop through seminars, events and information. An example of such a professional association which focuses on professionals in business is the 'Institute of Internal Auditors – Belgium' (IIA Belgium). IIA Belgium is member of the international 'Institute of Internal Auditors' (IIA), but is not a public professional organization established by Belgian law.

The Institute for Certified Bookkeepers and Tax professionals (BIBF-IPCF) incorporates the professionals who perform mainly compliance services in bookkeeping and tax matters. Everybody who performs bookkeeping and tax services for third parties in Belgium is required by law to be a member of the BIBF-IPCF. The BIBF-IPCF also has members who work on the payroll of practices or companies and are therefore called 'internal members'. Only a very small proportion of the approximately 5,000 members of the BIBF-IPCF are internal members and it is therefore unlikely that many professionals in business are member of this Institute.

On the other hand the Institute of Statutory Auditors (IBR-IRE) counts approximately 1,000 members. Their services are mainly statutory audit and other assurance engagements which are prescribed by law or are agreed upon by contract. All of the services provided by members of the IBR-IRE are those of an independent auditor and therefore they cannot act as a professional in business.

Last but not least, if I may say: the Institute of Accountants and Tax Consultants (IAB-IEC) has approximately 6,400 members. The core business of these accountants and tax consultants is consulting for and the organization of all accounting and tax matters for companies or other interested parties. The focus of the services provided by these professionals is on providing their clients with a high quality advice. The objective of their engagements is essentially to provide a higher level of objectivity in the financial statements rather than to give an audit opinion or a review conclusion.

Another specific element in the Belgian accountancy context is that where no statutory auditor is legally provided for the audit of the annual accounts, some assurance engagements at SMEs can be performed either by an external member of the IAB-IEC for accountants or by a member of the IBR-IRE for statutory auditors. This is the case, for instance, with the restructuring or the liquidation of companies. Also, where no statutory auditor is appointed, each individual shareholder has the same rights as a statutory auditor would have and can in this respect be assisted by an external accountant who is a member of the IAB-IEC.

Approximately 2,100 members of the 6,400 members of the IAB-IEC are so called 'internal members', which means that they work exclusively on the payroll of either a professional practice or a company. There is no exact data on how many of these internal members are in fact working as professionals in business.

Earlier the IAB-IEC created a 'Commission for internal members' and conducted a survey titled 'Focus on our internal members!'. This survey was not conclusive, however, on how many internal members are professionals in business. 43% of the internal members that responded to the survey indicated that the company they worked for employs over 250 persons and 42% responded that their function in the company is situated in the senior management, while 53% of the respondents indicated they are working for sectors other than the financial-economic sector.

In 2013 the IAB-IEC organized a special seminar for its internal members, under the title 'Companies and their risk management'. Some 120 professionals attended this meeting and learned from the testimonials of senior managers of big companies on risk management, cash management and tax risks. Similar events with the focus on matters that are important for 'accountants in business' will be organized in the future.

In the IAB-IEC's next quarterly magazine 'Accountancy&Tax', which will be published in the coming days, there is a special contribution by both the President, Benoît Vanderstichelen, and the Vice-President, Bart Van Coile, under the title 'The confidential nature of advice issued by accountants and/or tax consultants'. This article gives an overview of the obligation of professional secrecy for external accountants and of professional discretion for internal accountants. Although both these terms have a different legal basis, the opinion of the authors is that they should have the same impact, which means that the professionals in business should have the same protection regarding the confidentiality of their advice as the external accountants and/or tax consultants. The IAB-IEC aims to obtain a standard that explains the confidential nature of the advice of both its external and internal members.

The IAB-IEC is very conscious about the specific needs of professionals in business and aims to focus on further research in this matter. With this in mind, the IAB-IEC will continue working through its 'Commission for internal members' on the development of surveys, seminars, articles etc., with a focus on the professionals in business. In light of this, it was a great pleasure to be invited for this presentation to your IFAC PAIB Committee here in Brussels.

I thank you very much for your attention and wish you an interesting continuation of your IFAC PAIB Committee.

Best regards,

Daniël Maes