

The growing importance of international auditing and assurance standards for Belgian SMEs

Dear Madam, Dear Sir, Dear colleagues,

On behalf of the IAB-IEC we are very pleased to welcome you at our offices, which we share with our colleagues of the IBR-IRE.

The Belgian accounting market is a very specific market with a very large proportion of the enterprises being SMEs. These SMEs are the core business of the Belgian accountants and tax consultants, members of our Institute. Because of the international economic circumstances and developments, Belgian SMEs also feel an ever-growing need of assurance and related services in a context of international accepted standards.

Because of this specific situation for the accountants with SMEs in Belgium, the IAB-IEC are increasingly focusing on the application of the international standards on auditing, assurance and related services. In this respect the IAB-IEC focuses strongly on the quality of the services provided by its members and therefore also applies the international standards on quality control.

A very good example of the importance of the international standards in the Belgian context is the application of the ISRS 4410 for compilation engagements as the basis for the recommendations for all accounting professionals, which they have to apply in the context of the revised Belgian 'Law on the continuity of businesses'. This revised law provides that businesses that apply for protection against their creditors are required to file financial statements which are compiled under the supervision and/or with the assistance of an accounting professional. The objective of the new requirement under this Law is essentially to provide a higher level of objectivity of the financial statements, rather than to give an audit opinion or a review conclusion. For this reason the IAB-IEC immediately felt the need to apply the ISRS 4410 to these new engagements and worked out joined recommendations to its members, together with the other Belgian Institutes for accounting professionals.

Another specific element in the Belgian assurance 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 a 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 accountant who is a member of the IAB-IEC. In these cases, which are mainly services provided to Belgian SMEs, the international auditing and assurance standards are applicable and are equally important for accountants, members of the IAB-IEC.

The IAB-IEC is convinced that the importance of the international standards on auditing, assurance and related services for Belgian SMEs will continue to growing significantly in the future. There is an increasing need for objectivity and transparency on the part of all stakeholders of the businesses, in a Belgian as well as in an international context. Therefore the Institute will keep on focusing, together with its (inter)national colleagues, on the application of the international standards in the specific Belgian context of mainly SMEs. Whenever new engagements or future opportunities arise in the field of audit, assurance or related services, the IAB-IEC will be alert to placing them in the context of international standards.

To conclude, it is my pleasure, also in the name of the IAB-IEC, to invite you to the reception followed by the dinner, in collaboration with the IBR-IRE and the FEE.

I thank you for your presence and wish you an interesting networking event.

Best regards,

Bart Van Coile

Vice-president