



# 2007-2008 Report

Fédération  
des Experts Comptables  
Méditerranéens





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introducing FCM

## About FCM

The **Federation of Mediterranean Accountants / Federation des Experts Comptables Méditerranéens** is a non-profit association that represents the accountancy profession in the Mediterranean Region.

It was created on the initiative of a number of leaders of national accounting institutes in the Mediterranean area at the end of 1999.

FCM is the only representative organisation of the accountancy profession in the Mediterranean and it has been an Acknowledged Grouping of IFAC since September 2008.



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## Our Mission

**FCM's ultimate goal is to contribute to economic developments in the Mediterranean region and to work towards the implementation of more integrated market between the Mediterranean countries.**

Reliable and comparable financial information, as well as a developed accountancy profession contribute to economic growth and financial stability and are vital elements for the development of a more integrated market.

FCM believes that the accountancy profession, in its global dimension, has the possibility to play a key role in addressing the integration and development challenges in the Mediterranean market. Accountants can act as a facilitator of a fruitful cooperation between the public authorities and the business community. Through FCM, the accountancy profession is deeply committed to play a significant role in the development of a Mediterranean market.

To achieve these goals FCM aims to:

- Promote co-operation among the professional accountancy bodies in the Mediterranean region in relation to issues of common interest in both the private and public sector.
- Allow the professional accountancy bodies of the Mediterranean area to act in concert with regard to the international evolutions affecting the accountancy profession.
- Provide technical assistance to members and assist them in achieving or improving high professional and quality assurance standards.
- Arrange the holding of periodic congresses and seminars so as to enable members of the Mediterranean accountancy profession to meet one another in an environment which facilitates discussion and the interchange of ideas concerning the profession and, in addition, to direct attention to and inform members of the profession in the Mediterranean region about developments in relevant fields.

## The Accountancy Profession in the Mediterranean Region

### Message from George Samothrakis, FCM President 2008-2010

#### Increasing importance of reliable financial information

Following the current financial and economic crisis it has become increasingly apparent



that sound financial reporting is essential for financial stability and growth. The crisis has raised aware-

ness of the need to converge towards effective global regulations and standards.

The accountancy profession is consistently working towards high quality global financial reporting standards to enhance the transparency of the financial information and the strength of the financial reporting infrastructure as a whole.

Accounting and auditing standards are key elements of the financial reporting infra-

structure, but are not the only ones. Equally important is the system of governmental regulation and the system for education and certification of professionals, i.e. the accountancy profession.

A solid financial reporting infrastructure is not only important in avoiding crises; it is vital for investors' protection, to attract foreign and domestic investments and to develop capital markets<sup>1</sup>.

The financial reporting infrastructure is also a crucial factor for the development of a more integrated regional market.

#### Increasing importance of the Mediterranean region

The Southern Mediterranean Region has recently experienced unprecedented economic growth. According to UNCTAD,<sup>2</sup> Foreign Direct Investment registered in the MEDA region has been multiplied

*1. In this perspective, on the 26th of March, 2009 securities regulators from eight countries participating in the Barcelona process, Union for the Mediterranean (Algeria, Egypt, France, Italy, Morocco, Portugal, Spain, and Tunisia) signed a Charter to establish the Mediterranean Partnership of Securities Regulators. It will set out the conditions and practical terms for enhancing their cooperation in financial market regulation and supervision. The charter aims to strengthen national regulations on the basis of common requirements, thereby favouring product security and investor protection and supporting the rapid expansion of financial flows in the region.*

*2. United Nations Conference on Trade and Development [www.unctad.org](http://www.unctad.org)*

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by 6 in 6 years.<sup>3</sup>

In 2008 the global economic crisis hit the Southern Mediterranean region a little later and with less impact than other regions. According to the World Bank's Global Economic Forecast, growth in the Middle East and North Africa in 2009 "appears least affected among developing regions, dropping just 0.3 points from earlier projections to 3.3 percent".

ANIMA<sup>4</sup> Investment Network indicates that although a slight slowdown is foreseen for 2009, growth in the region will be sustained and will take up a cruising speed of nearly 4% per annum on average from 2010 onwards.

This growth represents a great opportunity for the whole Mediterranean region but for this performance to be sustainable it needs to be supported by some reforms and a more integrated market.

The European Union decided to invest in this opportunity with the creation

of the Union for the Mediterranean on July 13th 2008. The UfM unites all EU members with most non-EU countries bordering the Mediterranean Sea, has its headquarters in Barcelona, Spain, and will be a development of the EuroMediterranean Partnership, also known as the Barcelona Process.

Cooperation from the private sector is essential for the success of the Euro Mediterranean integration. The creation of the UfM has raised great expectations in the business community and private regional organisations and networks are demonstrating that they are willing and able to play a major role in this process. It is now the time for effective actions to be planned to ensure that this process continues.

**FCM fully supports the Mediterranean Region integration process. FCM has been committed to promoting economic growth and integration in the Mediterranean region through reliable and comparable financial**

<sup>3</sup>. It went from ten billion USD in 2000 to about sixty in 2006, on a scale second only to China among emerging economies.

<sup>4</sup>. Anima Investment Network [www.animaweb.org](http://www.animaweb.org)

**information and a developed accountancy profession for 10 years.**

FCM strongly believes in the positive impact of the Euro Mediterranean cooperation's activities and in the enormous potential of the Mediterranean region, especially in the perspective of a global economy, where single countries increasingly count less and regions increasingly count more.

Let me conclude by highlighting FCM's commitment to work in the region to promote the accountancy profession based on specific values and principles. The accountancy profession intends to be a key actor in the Mediterranean region, and in the whole world, to protect the public interest and achieve economic integration and growth.



George Samothrakis  
FCM President

## Our members

FCM's membership continues to grow every year.

As of January 2009 it consists of 20 professional institutes of accountants from 17 Mediterranean countries (Albania, Bulgaria, Cyprus, Egypt, France, Greece, Israel, Italy, Kosovo, Malta, Morocco, Palestinian Authority, Romania, Serbia, Spain, Tunisia and Turkey) plus a global body, the ACCA – Association of Chartered Certified Accountants.

The FIDEF - Fédération Internationale des Experts-Comptables Francophones is an associate member.

FCM member bodies represent more than 320.000 professionals.

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our members

## FCM member bodies

### ALBANIA

The Albanian Institute of Authorised Chartered Auditors (IEKA) [www.ieka.org.al](http://www.ieka.org.al)

### BULGARIA

The Institute of Certified Public Accountants of Bulgaria (IDES) [www.ides.bg](http://www.ides.bg)

### CYPRUS

The Institute of Certified Public Accountants of Cyprus (ICPAC) [www.icpac.org.cy](http://www.icpac.org.cy)

### EGYPT

The Egyptian Society of Accountants and Auditors (ESAA) [www.esaaegypt.net](http://www.esaaegypt.net)

### FRANCE

Conseil Supérieur de l'Ordre des Experts Comptables (CSOEC)  
[www.experts-comptables.fr](http://www.experts-comptables.fr)

Compagnie Nationale des Commissaires aux Comptes (CNCC) [www.cncc.fr](http://www.cncc.fr)

### GREECE

The Institute of Certified Auditors and Accountant of Greece (SOEL) [www.soel.gr](http://www.soel.gr)

### ISRAEL

The Institute of Certified Public Accountants of Israel (ICPAS) [www.icpas.org.il](http://www.icpas.org.il)

### ITALY

Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC) [www.cndcec.it](http://www.cndcec.it)

### KOSOVO

Society of Certified Accountants and Auditors of Kosovo (SCAAK)  
[www.scaak-ks.org](http://www.scaak-ks.org)

### MALTA

The Malta Institute of Accountants (MIA) [www.miamalta.org](http://www.miamalta.org)

### MOROCCO

Ordre des Experts Comptables du Royaume du Maroc (OEC) [www.oec-maroc.com](http://www.oec-maroc.com)

### PALESTINIAN AUTHORITY

Palestinian Association of Certified Public Accountants (PACPA) [www.pacpa.ps](http://www.pacpa.ps)

### ROMANIA

Corpul Expertilor Contabili si Contabililor Autorizati din Romania (CECCAR)  
[www.ceccar.ro](http://www.ceccar.ro)

### SERBIA

Serbian Association of Accountants and Auditors (SRRS) [www.srrs.rs](http://www.srrs.rs)

### SPAIN

Consejo General de Colegios de Economistas de Espana (CGCEE) [www.economistas.org](http://www.economistas.org)

Consejo Superior de Colegios Oficiales de Titulados Mercantiles y Empresariales de Espana [www.tituladosmercantiles.org](http://www.tituladosmercantiles.org)

### TURKEY

Union of Chambers of Certified Public Accountants of Turkey (TURMOB)  
[www.turmob.org.tr](http://www.turmob.org.tr)

Expert Accountants' Association of Turkey (EAAT) [www.tmud.org.tr](http://www.tmud.org.tr)

### TUNISIA

Ordre des Experts Comptables de Tunisie (OECT) [www.oect.org.tn](http://www.oect.org.tn)

### GLOBAL

ACCA - Association of Chartered Certified Accountants [www.accaglobal.com](http://www.accaglobal.com)

### ASSOCIATE MEMBER

FIDEF Federation Internationale des Experts-Comptables Francophones [www.fidef.org](http://www.fidef.org)



# Governance

## GENERAL ASSEMBLY



Every two years the G.A. approves the nomination of the President, Deputy President, and appoints members of the Executive.

The GA adopts decisions upon any constitutional or other matter referred to it by the Council.

On November 27th, 2008, the General Assembly met in Paris and elected Mr. George Samothrakis as President; Mr. Morris Kanne as Deputy President and Mr. Ninos Hadjirousos as Treasurer.



## COUNCIL



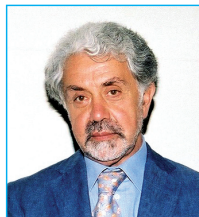
The Federation is governed by a Council, which comprises one representative from each member institute and meets no less than two times a year. In 2007-2008 the FCM Council met a total of seven times.

## EXECUTIVE

The ExCom consists of the President, the Deputy President and eight Vice-Presidents. The Executive is responsible for the implementation of the decisions taken by the Council.



## Executive Committee Members November 2008-November 2010



George Samothrakis



Morris Kanne



Ninos Hadjirosous



Giancarlo Attolini



Jose Maria Casado  
Raigon



Hazem Hassan



Ahmed Mansour



William Nahum



Marin Toma



Masum Turker

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executive committee  
members  
november 2008  
november 2010

NAME	POSITION	INSTITUTE/COUNTRY
<b>George Samothrakis</b>	<i>President</i>	SOEL / Greece
<b>Morris Kanne</b>	<i>Deputy President</i>	ICPAS / Israel
<b>Ninos Hadjirosous</b>	<i>Treasurer and Vice President</i>	ICPAC / Cyprus
<b>Giancarlo Attolini</b>	<i>Vice President</i>	CNDCEC / Italy
<b>Jose Maria Casado Raigon</b>	<i>Vice President</i>	CGCEE / Spain
<b>Hazem Hassan</b>	<i>Vice President</i>	ESAA / Egypt
<b>Ahmed Mansour</b>	<i>Vice President</i>	OECT/Tunisia
<b>William Nahum</b>	<i>Vice President</i>	CSOEC / France
<b>Marin Toma</b>	<i>Vice President</i>	CECCAR / Romania
<b>Masum Turker</b>	<i>Vice President</i>	TURMOB / Turkey

# Conferences

**With the aim of bringing together members of the Mediterranean accountancy community in an atmosphere that facilitates professional dialogue and exchange of ideas and in order to inform members of regional developments in the profession FCM held two conferences in 2007 and 2008:**

## **FCM 7TH ANNUAL CONFERENCE PARIS, FRANCE 28/11/2008**

**“The Mediterranean region in the New Millennium, Integration and Development: the role of the Accountancy Profession”**

The 7th FCM annual conference was held in Paris, France, in cooperation with the Conseil Supérieur de l'Ordre des Experts Comptables and the Compagnie Nationale des Commissaires aux Comptes.

Among others, it brought together representatives from IFAC, Governments, the EU Commission, the World Bank, IOSCO, ASCAME, IPEMED as well as from the academic and business communities.

Under the patronage of the French President Mr. Nicolas Sarkozy, the focus of the confer-

ence was to provide a deeper understanding of the development of the Mediterranean region and the need for an appropriate policy framework.

The Conference also focused on the importance of the role that can be played by the accountancy profession in achieving economic growth.

The Speakers indicated that there is an increasing importance of reliable information and that the accountancy profession can play a significant role, being the only one with global standards, and reacting quickly to the challenges of the recent economic crisis.

The Conference concluded that there is an increasing importance of the Mediterranean region, and a strong political will to achieve greater integration and sustain the Union for the Mediterranean project.

Please find Conference videos and presentations on:

<http://www.fcmweb.org/activities.asp>



## FCM 6TH ANNUAL CONFERENCE ATHENS, GREECE 19/11/2007

“Development of the Auditing and Accountancy Profession in the Mediterranean-Regulation, Transparency and the Role of Professional Accountants in relation to SMEs”

The 6th FCM annual conference was held in Athens, Greece, with the cooperation of the Institute of Certified Public Accountants of Greece (SOEL).

Among others, it brought together professionals from IFAC, the European Commission, UEAPME, the FEE, the World Bank, standard setters and the academic and business communities.

The conference wished to provide a venue to discuss the latest developments in the accounting profession, particularly focusing on SME's and economic development and integration of

the Mediterranean region. It also focused on Developments in the Regulation of the Accounting and Auditing profession and their impact in the Mediterranean Context, as well as on the Role of Accountants in the development of Mediterranean SMEs.

Topics dealt with included:

Development and Transparency of the Financial Markets, the Euro-Med Charter for SMEs and the EU Programme on Euro-Med Industrial Cooperation, the IASB IFRS on SMEs Draft, the Audit of SMEs in the perspective of a global economy and the EU Simplification Project.

Please find Conference videos and presentations on:

<http://www.fcmweb.org/activities.asp>

# Collaborations

**Whether it's to allow professional accountability bodies to act in concert with international evolutions affecting the profession, promote public and private sector co-operation, or advance high quality assurance standards, FCM gives great importance to collaborating with other organisations who share similar goals and objectives.**

## EUROPEAN COMMISSION

FCM's goals and activities go hand in hand with the goals of the Barcelona Process: Union for the Mediterranean. FCM works with the EU sharing its expertise and know how in the field of Auditing and Accounting. Having been established in 1999 FCM is certainly on board with the recent increased focus on the Mediterranean region and hopes to increase its role in Euro-Mediterranean Cooperation significantly in the upcoming years.

## [EuroMed Market Programme on Auditing and Accounting](#)

Using its unique position and experience FCM contributed as a Regional Expert to

the EU "EuroMed Market Programme" in Auditing and Accounting. With the goal of creating a free trade area between the EU and its nine Mediterranean Partners (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority, Syria and Tunisia), as well as Turkey. The programme promoted a common approach in the Euro-Mediterranean area towards some priority topics, one of which is Auditing and Accounting as regards legislation, procedures and enforcement (the other topics being: Customs, Competition Rules, Public Procurement, Intellectual Property Rights, Financial Services: Banking & Insurances).

In 2007 FCM took part in the preparatory phase of the EuroMed Market Programme in accounting and auditing. This preparatory phase aimed to examine in field developments since the beginning of the EuroMed Market Programme (in May 2002) among the Mediterranean Partners.

It also aimed to establish the scope of the reforms and developments,



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collaborations

identifying the difficulties emerged and the successes achieved.

Following two preparatory seminars, in the spring of 2008 it was decided to launch a comparative study on Auditing and Accounting in the Mediterranean Region.

A study was published in April 2009 and gives a clear picture of the present day situation of several Mediterranean countries regarding their proximity to EU and international Accounting standards and practices.

It will also be useful as a reference when designing future actions to reduce these gaps.

More information available on:  
[www.fcmweb.org](http://www.fcmweb.org)

### EuroMed Industrial Cooperation Working Group

In October 2007 FCM became a member of the working party on Euro-Mediterranean Industrial Cooperation and shares the responsibility of monitoring the implementation of the Work Programmes.

The working party was created by the EU Commission and consists of EU Member State representatives, Mediterranean partners, several European Commission Directorates-General and EU institutions, business associations and international organisations from both sides of the Mediterranean.

It will play a pivotal role in the creation of a Euro-Mediterranean Free Trade Area. The proposed lines of action reflect a willingness to connect the MED countries to the indus-

trial and enterprise policies of the European Union.

FCM is in a unique position to play a role in Mediterranean synergy and cooperation in the field of Accounting and Auditing.

#### **WORLD BANK**

By making the Mediterranean area more integrated, stable, regulated and competitive emerging economies in the region will have the opportunity to grow.

This in turn will help their neighbouring countries to grow as well. The World Bank, recognises the key importance of a sound financial information for economic development and promotes regional programmes (such as the ROSC programme) and actions. FCM shares the goals of the World Bank and participated in the World Bank Fiduciary Forum in March 2008 to discuss possible cooperation between the Federation and the World Bank Financial Management sector in the MENA region.

#### **IFAC**

Since September 2008 FCM has been an IFAC Acknowledged Accountancy Grouping.

With 17 member bodies who also have IFAC membership, FCM has always maintained a

special relationship with IFAC.

FCM's mission and values are clearly aligned with those of IFAC and it is committed to establish strategies and work programs that are aligned with the strategies and work program of IFAC. The relationship between the two organizations continues to grow as FCM is committed to comply with the Acknowledged Grouping obligations and to play an active role in IFAC activities.

In 2007 – 2008 FCM:

- participated at the forum of Professional Institutions in the region of the Middle East and North Africa (MENA) in Tunis on the 22-23rd of May 2008. The forum was based on the 'Consolidation of the Accountancy Profession in the MENA region' theme and had the main objectives of reinforcing the accountancy profession in the Middle East and North Africa and encouraging cooperation between national and international professional bodies.
- participated in the IFAC Annual SMP Forum in St Julians, Malta on the 30th of October 2007.

## Publications

**With expert members throughout the Mediterranean area, FCM is in a unique position to provide information and advice in the field of Accounting and Auditing.**

**In November of 2007, FCM published two surveys.**

### “The Accountancy and Auditing Profession: a Survey on Mediterranean Countries”

Is the first comparative study on the accountancy profession in the Mediterranean area. It gives a broad overview of the rules governing the admission to and the exercise of the accountancy profession, as well as the activities performed by professional accountants in 15 countries across the Mediterranean area.

The survey provides general information about the type of laws governing the profession; professional titles used by the members of each institute; mandatory citizenship/residency as a condition for institute membership; distribution of members in public practice, industry or governmental bodies; restric-

tions on professional partnerships or in their legal form; general statistical information; statutory audit reports and a list of audited companies.

Regarding admission to the profession, the survey investigates the rules and requirements for admission to the institutes.

The survey also investigates the member's common activities, the reserved and forbidden activities for the members of each institute and accounting, auditing, practice and ethical rules governing the profession.

### “The Public Oversight System in Mediterranean Countries”

Provides a brief overlook of public oversight arrangements in 15 countries across the Mediterranean area, 8 of which are part of the European Union.

It investigates which of these Mediterranean countries have implemented a Public Oversight System for statutory auditors and audit firms, and which will implement such a





system in the near future.

The survey provides a brief overview of public oversight arrangements and the differences among the systems across the area.

Both publications can be downloaded from the FCM website:

<http://www.fcmweb.org/publications.asp>

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publications



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FCM. Bringing Mediterranean Accountants Together