

30th June 2005

Dear Mr Pacter

Subject: CMFB reply to the IASB staff questionnaire on possible recognition and measurement modifications for Small and Medium sized Entities (SMEs)

The Committee on Monetary, Financial and Balance of Payment Statistics (CMFB) is an advisory committee established in 1991 to assist the European Commission in drawing up and implementing work programmes concerning monetary, financial and balance of payments statistics. It also offers advice on these areas of statistics and on their links with other areas of economic statistics, in particular national accounts and government finance statistics. Its membership consists of senior managers in charge of economic and financial statistics at the national statistical institutions (NSIs), national central banks (NCBs), the Commission (Eurostat) and the ECB (Directorate General Statistics).

The CMFB has mandated the Task Force on Accounting and Statistics, a joint Commission/ECB group, to study the impact of expected changes in EU accounting law and practice on European Official Statistics. In this context, the CMFB considers it appropriate to reply to the questionnaire mentioned above.

The outcome of a consultation among CMFB members on this matter is described in detail in the attached document. The CMFB holds the opinion that IASB standards for SMEs, should they be adopted in the EU, could greatly enhance the comparability of business data. Furthermore, they could contribute to the streamlining of the reporting requirements of European companies, including statistical reporting obligations. Unfortunately, there are currently significant differences between the IAS/IFRS and the world-wide statistical standards in force, for instance, in terms of the format and presentation of balance sheets and income statements.

According to the CMFB, it is preferable if the IASB standards for SMEs do not unnecessarily deviate from these global statistical standards. In that case, the collection of additional information from enterprises for statistical purposes can be reduced, with a concomitant positive effect on their administrative burden.

We trust that you will take account of the CMFB opinion on this matter.

Yours truly,

Signed

Bill Keating

CMFB Chairman

Annex: CMFB reply to the IASB questionnaire on accounting standards for SMEs