

Mr Gerrit Zalm  
President of the Economic and Financial Affairs  
Council  
Minister of Finance  
Central Information Directorate  
Korte Voorhout 7  
PO Box 20201

NL2500 EE Den Haag

2 December 2004

THE SECRETARY GENERAL

Dear Mr Zalm,

*waarde Minister*

RE : COMMISSION PROPOSAL TO MODERNISE THE 8<sup>TH</sup> COMPANY LAW DIRECTIVE ON STATUTORY  
AUDIT

In view of the next ECOFIN Council meeting to take place on 7 December 2004, UNICE would like to draw your attention to its concern on the above proposal.

As you will see from the attached UNICE comments, we agree that certain industries should fulfil more stringent independence and transparency requirements as far as statutory audit is concerned, but the requirements should be limited to specific and clearly defined industries such as financial institutions, insurance undertakings and listed companies. In this context, we consider the definition of 'public interest entities' is too broad and vague, thereby lacking the necessary legal certainty, fundamental when assessing the exact scope of the Directive.

Furthermore, UNICE disagrees with the provision for mandatory corporate governance rules by means of a Directive on statutory auditing. For example, regarding the requirement to create audit committees (Art. 39), we are concerned that a prescriptive approach would prevent the mission of audit committees changing according to market requirements as such is currently the case. We believe that audit committees should remain part of national codes and should not be prescribed in a Directive at EU level.

It is our considered opinion that more detailed provisions on the audit committee's composition, role, operation and transparency are not needed neither in this Directive.

We remain at your disposal should you wish to discuss this topic further.

Yours sincerely,

*Mercédès Groot*  
*de Buck*

Phillippe de Buck