



ANNUAL REPORT 2023



EFAA

EUROPEAN FEDERATION
OF ACCOUNTANTS AND AUDITORS
FOR SMES

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FOREWORD

Dear Members and Friends,

I am pleased to present to you the EFAA Annual Report 2023. I hope you will enjoy reading it. I am convinced it demonstrates our value to small- and medium-sized accountancy practices (SMPs) and their SME clients, to our member organisations, to the European accountancy profession and, above all, to the European public interest.

I believe the European accountancy profession, EFAA for SMEs, our member organisations, and the many thousands of SMPs they represent across Europe, are stronger and smarter.

“If we are to continue to grow and prosper as a profession, in particular by acting as an enabler of the sustainable transition of the economy through the provision of sustainability services, then we need to adapt and continue to engage, as we have done so far, with activities, formulas and strategies to spread our beautiful profession and its attractiveness. In 2023 our international conference was centred on this theme and we used the occasion to share information, ideas and insights as well as best practices. In 2024 we will continue to work in this area.”

EFAA for SMEs aims to place SMPs at the forefront of the dual transition, sustainable and digital, of the EU's economy and society. Accordingly, in [the EFAA Manifesto for the June 2024 European Parliamentary elections](#), published in March 2024, we said that SMPs are vital partners of SMEs in the journey of transition, helping SMEs navigate financial resilience, technological advancements and sustainable practices.

In 2023, EFAA for SMEs has relentlessly pursued its mandate to protect and promote the interests of SMPs in Europe. This report charts our activities and key achievements in 2023. I wish to stress the enormous extent of this activity and achievements – ranging from events, speaking engagements, meetings with relevant stakeholders, through to the Latest from Brussels electronic newsletter and our social media. This intense activity demonstrates that we are a highly productive, purpose-driven organisation that enjoys strong support from our members.

Finally, on behalf of EFAA for SMEs, I wish to thank all the members of the EFAA team – the Board of Directors, the staff, the chairs, vice-chairs and the members of our expert and working groups, our Special Advisors and our members. Together, we serve and support Europe's SMPs and, in turn, their SME clients. As you know, we are the primary and main voice for SMPs in Europe and we are proud of it. Today our voice is louder and is heard and understood better than ever. Tomorrow, we plan to make our voice even stronger.

With best wishes,

Salvador Marín

EFAA for SMEs President



2023 IN NUMBERS

The European Federation of Accountants and Auditors for Small- and Medium-sized Enterprises ([EFAA for SMEs](#)) is an umbrella organisation for national accountants' and auditors' organisations whose individual members provide professional services primarily to SMEs in Europe.

Small- and medium-sized practitioners are the trusted advisor of SMEs, they contribute to the wellness, sustainability and stability of the economy.



12 countries



15 Member Organisations



Over 400,000 SMPs all over the Europe



3 Expert groups



1 Working group



45 Experts



20 LFB



Almost 500 Readers



21 Publications



14 Position Papers



2 Events



2 Members-only Events



1270 Followers on X



764 Followers on LinkedIn

MEMBERS

In 2023, EFAA for SMEs had 15 members throughout Europe representing over 400,000 accountants, auditors and tax advisors in Europe and beyond.

As of 1 January 2024, EFAA's 15 Ordinary Members were as follows:



Association of Chartered
Certified Accountants -
ACCA



The Association of
International Accountants -
AIA



Association of Professional
Financial Managers of
Azerbaijan - APFM



Chamber of Auditors of
Azerbaijan Republic - CAAR



Chamber of Financial
Auditors of Romania - CAFR



Chamber of Accounting
Services (GZS - Zbornica
racunovodskih servisov)



Conseil national de l'ordre
des experts-comptables -
CNOEC



Consejo General de
Economistas - CGE



Deutscher
Steuerberaterverband e.V. -
DStV



Institute for Tax Advisors and
Accountants - ITAA



Instituut van de
Bedrijfsrevisoren/ Institut
des Réviseurs d'Entreprises -
IBR-IRE



Albanian Institute of
Authorized Chartered
Auditors - IEKA



Nederlandse
Beroepsorganisatie van
Accountants - NBA



Ordem dos Contabilistas
Certificados - OCC



Society of Certified
Accountants and Auditors of
Kosovo - SCAAK

KEY ACHIEVEMENTS

Strategy

Objectives

EFAA activities and achievements are shaped by its strategy. EFAA has three strategic objectives: [Speaking for SMPs](#) - representing and advocating on behalf of SMPs while promoting their visibility and recognition in Europe; [Future-Ready SMPs](#) - sharing and developing insights and ideas, practical guidance, tools and resources to help SMPs transform their practices so as to be future-ready; and [Promoting Professional Standards](#) - providing regular and timely input to the European and international standard setting process in order to help ensure the stability, relevance, scalability and proportionality of standards of assurance, ethics, reporting, and quality management for SMPs and SMEs.

Cutting across these three objectives is a fourth objective - [SMPs Supporting Sustainability](#). SMEs collectively account for a significant, if not majority, share of environmental and social impacts by private sector business. Consequently SMEs, and the SMPs that provide professional services to them, stand to play a vital role in making the EU economy and society sustainable.

Guiding Principles

To help it prioritize its activities in pursuit of the above objectives EFAA adheres to three guiding principles: focusing on Europe; enhancing value-added to individual members; and collaborating with relevant stakeholders.

EFAA recognizes that collaborating with others is the key to rendering effective support to its member organisations and SMPs. Accordingly, we collaborate with our members as well as many others (see box below).

EFAA for SMEs is a sectorial member of [SMEunited](#). We are a member of the [European Financial Reporting Advisory Group \(EFRAG\)](#) and is represented on its [Sustainability Reporting Board](#).

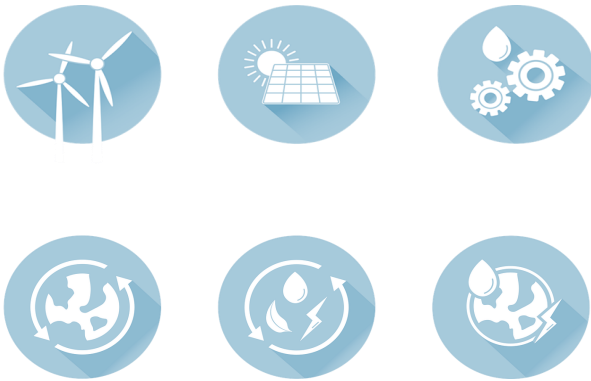
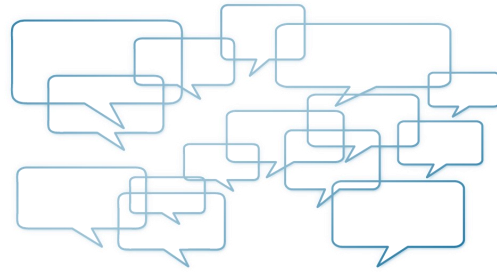
We are a network partner of the [International Federation of Accountants \(IFAC\)](#). We were represented (until their replacement) on the Consultative Advisory Groups (CAGs) of the [International Audit and Assurance Standards Board \(IAASB\)](#) and the [International Ethics Standards Board for Accountants \(IESBA\)](#). We are a member of the [Edinburgh Group](#).

EFAA for SMEs has an MOU with the [European Union Intellectual Property Office \(EUIPO\)](#) and [Accountancy Europe](#). And we are a partner of the [Early Warning Europe Network](#).



Value Proposition

EFAA's value proposition to its members is three-fold: to **inform** – keep EFAA members and stakeholders informed of developments that most impact their individual members; to **advocate** – speak out on issues most relevant for the members of EFAA and the profession as a whole; and to **connect** – facilitate the communication and cooperation between EFAA members and in turn foster closer contact between individual members across Europe and other relevant stakeholders.



Sustainable Development Goals

EFAA for SMEs shares the EU's commitment to the sustainability agenda with the [17 United Nations Sustainable Development Goals \(SDGs\)](#) at its core. EFAA believes we must 'practice what we preach'. Accordingly, we operate by the maxim of 'reduce, reuse, and recycle', use a hybrid working model and strive for diversity of people.

Promoting the Attractiveness of SMPs

In 2023 European economies started to grow again and as a result labour markets tightened. Many accounting firms, including SMPs, increasingly cited the shortage of talent as an impediment to their growth and expansion into new service lines such as sustainability advisory, assurance and reporting. The attractiveness of the accountancy profession has now become one of the most significant challenges for the global and European accountancy profession.

EFAA responded to this challenge by making the attractiveness the central theme of its [EFAA 2023 International Conference 'The Future of Small Practice: Attracting, Retaining and Upskilling Talent'](#). The conference focused on the crucial role of professional accountancy organizations (PAOs) in supporting SMPs in upskilling their people and attracting new talent.



Overall, the EFAA 2023 International Conference provided valuable insights on how the accountancy profession, and specifically PAOs and their SMP members, can adapt and thrive in the face of evolving challenges, emphasizing the need for upskilling, embracing digital technologies, and diversifying the services offered. The event provided a forum for sharing best practice and learning from other PAOs and SMPs. It also provided the stimulus for a new work stream dedicated to making SMPs more attractive.

In December 2023 our [Council Meeting](#) examined the results and implications of an EFAA survey of SMPs. In 2024 EFAA will publish the results of [the survey of SMPs](#) together with some recommended actions for PAOs and SMPs to consider.

Positioning SMPs as Enablers of Europe's Sustainable Transition

Almost three years ago EFAA issued a [Call to Action: SMPs Supporting Creation of the Sustainable Economy to SMPs and their professional bodies](#) which urged SMPs and their PAOs to help drive the sustainable transition of the European economy and society by offering sustainability services to SMEs. In 2023 EFAA has helped shape the form and content of the sustainability reporting and assurance standards, crucial to realizing the transition, and continued to help prepare SMPs to offer sustainability reporting and assurance services. From 2025 onwards some 50,000 large and listed EU companies will start publishing sustainability reports prepared using European sustainability reporting standards (ESRS). These reports will demand that preparers obtain sustainability information from non-listed SMEs operating in their value chain. And the reports will have to be subject to limited assurance. Not surprisingly, the task of building the capacity of the accountancy profession, and SMPs in particular, to offer high quality sustainability reporting and assurance is immense.

Shaping Standards Suitable for SMPs and SMEs

In 2023 EFRAG, with the encouragement of the European Commission, turned its attention to the development of SME sustainability reporting standards. Our President Salvador Marin, with support from EFAA's expert volunteers, special advisors and staff, represents SMPs and SMEs on the [EFRAG Sustainability Reporting Board \(SRB\)](#). In so doing, we helped shape the form and content of the draft SME sustainability reporting standards including one for voluntary use by non-listed SMEs (VSME). In early 2024 these draft standards were issued for public consultation. EFAA, our members, and our members SMP members, will provide their feedback so that we can ensure the best possible final standards.

Meantime, 2023 witnessed the IESBA and IAASB fast track the development of ethical and assurance standards for sustainability reporting. EFAA has helped shape these standards to ensure they are suitable for use by SMPs on SME engagements. In 2024 we can expect these standards to be finalized.

Building Capacity of SMPs

EFAA foresees many SMPs being asked by SMEs to help prepare their sustainability reports as well as provide assurance on these reports, much like the way SMEs ask SMPs to prepare sustainability reports and provide assurance thereon.

Accordingly, in 2023 EFAA provided guidance to SMPs on how to prepare to offer sustainability services – in April we issued a new guide [Sustainability Reporting Assurance: How SMPs Can Build the Capacity to Support SMEs](#) and in October updated the guide [Sustainability Reporting: How SMPs Can Build the Capacity to Support SMEs](#).

Advocating a Think Small First Approach

In 2023 EFAA has relentlessly advocated for a ‘Think Small First’ approach to policy making and the development of regulation and standards. Our concern is that policy makers, regulators and standard setters have tended to focus on the financial markets and public interest entities (PIEs) and their accounting firms to the detriment of SMEs and SMPs. Fortunately, there are encouraging signs of change given recent developments in reporting and assurance and EFAA believes we have played a key role in helping make this change. In every response to a public consultation, we robustly advocate the ‘Think Small First’ approach.

For some time EFAA has argued that International Standards on Auditing (ISAs) are not suitable for the audits of SMEs owing to their complexity and their lack of scalability, proportionality, and understandability. Accordingly, EFAA has been a strong supporter of the IAASB’s project to develop a stand-alone audit ISA for less-complex entities – the so-called [ISA for LCE](#) - as soon as practicable. This new standard has now become effective. We believe it is a solution tailored for use by SMPs in the audit of LCE. In 2024 this EFAA will continue to promote its adoption and use, starting with a global webinar with IFAC and the IAASB in April 2024.

In the area of sustainability reporting, we have insisted that SMEs be factored in from the beginning and are pleased to see this recognized by EFRAG who have expedited development of SME sustainability reporting standards as reported above.

As 2023 came to an end [EFAA welcomed](#) the European Commission initiatives detailed in the SME relief package, in particular the intention of streamlining reporting obligations which are excessively burdensome for SMEs.

“EFAA recognises that regulation is intended to help markets operate fairly, orderly, and efficiently while protecting the public interest. While we recognise that high quality corporate reporting serves the public interest, it is essential that it be tailored to the capacity of SMEs and their SMP advisers.”

ACTIVITIES



Overview

	2021	2022	2023
Articles and Guides	4	7	5
Consultation Replies & Position Papers	11	8	15
Events	1	2	2
Members-only events	2	2	2
Webinars	4		2
Newsletters	21	23	20
Videos	1	1	1

EFAA’s activities are described in detail on the EFAA website [here](#) and, together with outreach activities, described in issues of the [Latest from Brussels](#).

The EFAA 2023 International Conference was organised as an hybrid event.


Two members-only events were also organised.

EFAA’s activities are primarily conducted or led by its various [technical groups](#).

EFAA has four technical groups – the Accounting & Tax Expert Group (Acc&TaxEG), the Assurance Expert Group (AssEG), the Digital Working Group (DWG) and the EU Professional Regulation Expert Group (EUPREG). Members of these groups are proposed by EFAA’s member organisations and acknowledged by the EFAA Board of Directors.

In 2023, these groups met 9 times by video conference.

Three joint meetings were also organised.

Technical Groups	Chair	Vice-Chair	Number of meetings	Number of experts
EU Professional Regulation Expert Group	Salvador Marín, EFAA for SMEs 	Marc Lemanczyk, DStV 	2	12
Accounting and Tax Expert Group	Richard Martin, EFAA for SMEs 		2	15
Assurance Expert Group	Paul Thompson, EFAA for SMEs 	Ciprian Mihailescu, CAFR 	2	11
Digital Working Group	Martin de Bie, NBA 		3	10

Events

EFAA 2023 International Conference

The EFAA 2023 International Conference, held on May 25 and hosted both in Lisbon and online, brought together almost 300 attendees.

The event focused on the crucial role of professional accountancy organizations (PAOs) in supporting and accompanying small- and medium-sized practices (SMPs) in upskilling their people and attracting new talents.





The conference aimed at shedding light on the challenges faced by the accountancy profession in today's challenging times in which upskilling existing professionals and attracting new talent have become vital for the growth and prosperity of the profession.

EFAA President, [Salvador Marín](#), and OCC President, [Paula Franco](#), together with IFAC President, [Asmâa Resmouki](#), opened the event. Throughout three sessions, experts from all over Europe gave insightful presentations and engaged in high level discussions on different aspects related to attracting, retaining, and upskilling talent in SMPs.

Overall, the EFAA 2023 International Conference provided valuable insights on how the accountancy profession can adapt and thrive in the face of evolving challenges, emphasizing the need for upskilling, embracing digital technologies and diversifying the services offered.

Slides, photos and video recordings of the event are available through our [website](#).

The accountancy profession is navigating challenging times: the regulatory framework is becoming increasingly complex and stringent; automation and AI are threatening to take over more traditional accounting duties and, as a consequence, upskilling existing people and attracting new talent are becoming vital to the growth and prosperity of the profession. In order to respond to these challenges, accountants need to diversify their skills by familiarizing themselves with digital technologies and by providing non-traditional services such as sustainability advising, reporting and assurance.



EFAA 2022 Membership Convention



The EFAA for SMEs Council was held on 12 December 2023, it was an essential moment to address key issues for EFAA member organisations and SMPs. Chaired by President Salvador Marin, the meeting gathered all the EFAA members. President Marin set the tone by emphasizing, during his opening remarks, the importance of collaborating and sharing best practices among the members. Throughout the meeting, members actively exchanged ideas, addressing challenges and opportunities

faced by the profession and in particular by SMPs.

The agenda included topics relevant for SMPs such as the growing importance of sustainability reporting and of the new standard for audits less complex entities.

The attractiveness of the accountancy profession was also discussed, with a specific focus on the branding of Small - and Medium-sized Accountancy Practices (SMPs).

A noteworthy highlight of the event was the participation of keynote speaker [Bruce Vivian](#), who joined the discussion via Teams. Mr. Vivian provided valuable insights on international education standards and sustainability. He shed light on the role of education in fostering sustainability practices within the accountancy sector.

Throughout the meeting, members actively exchanged ideas, addressing challenges and opportunities faced by the profession and in particular by SMPs.

Articles and Guides

In 2023, EFAA for SMEs published several articles on topical issues impacting SMPs and their professional bodies. EFAA's member organizations and others are encouraged to use these articles for their own use including translation and reproduction in their own journals and newsletters.

23/02/2023

Implementation Of New Quality Management Standards By SMPs

14/04/2023

Guidance for SMPs on Sustainability Reporting Assurance

16/10/2023

Update: The Guidance for SMPs on Sustainability Reporting

23/10/2023

Sustainability (ESG) in the EU: New European Standards and SMEs

06/12/2023

SMPs (accountants) and their role in the face of new sustainability reports

Position Papers and Comment Letters

In 2023, EFAA for SMEs published 8 comment letters and position statements as listed below.



Meetings and Speaking Engagements

EFAA represents its member organisations and thereby Europe's SMPs with one voice at the European and global level. We are ensuring that our voice is heard by regulators, standard setters and other important stakeholders by responding to public consultations, participation and presentations at events and conferences, and direct dialogue with political stakeholders in meetings. **In 2023, EFAA represented SMPs at over 60 events and meetings.**

Key Communication Tools

Latest from Brussels



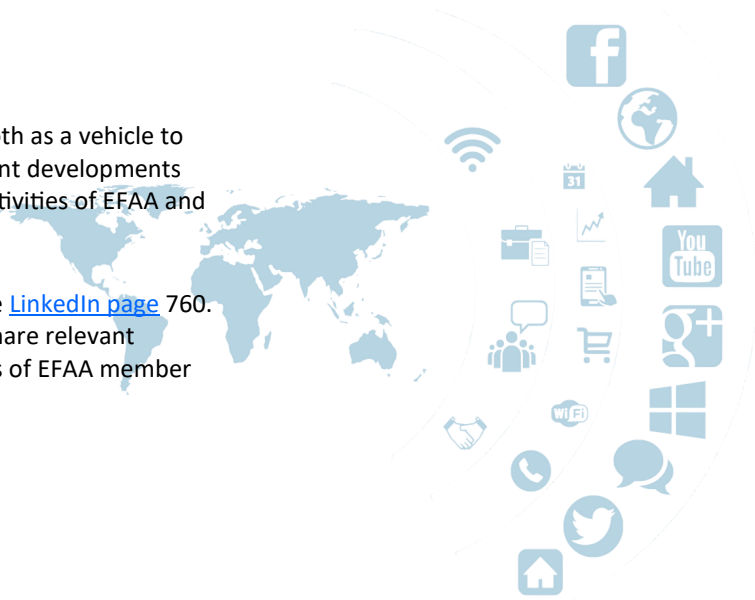
In 2023, EFAA for SMEs issued 20 [Latest From Brussels](#), an HTML newsletter distributed by email primarily to members but also key stakeholders and other interested parties, featuring short articles on regulatory, policy and technical developments, EFAA and EFAA member activities, useful practical guidance for SMPs and other developments relevant to the profession. At the end of the newsletter there are two sessions devoted to guidance to SMPs: one focuses on digital transformation and the other one on sustainability. All relevant resources aiming to help SMPs in sustainability issues are collected [here](#). The newsletter is an essential instrument for providing timely and relevant information to our members as well as stimulating their advocacy efforts to almost 500 recipients.

The newsletter archive is hosted [here](#) and [the free subscription is open to anyone](#).

Social Media

In 2023, EFAA kept increasing its use of social media both as a vehicle to help inform its members, and their members, of relevant developments and to raise wider awareness and recognition of the activities of EFAA and its members.

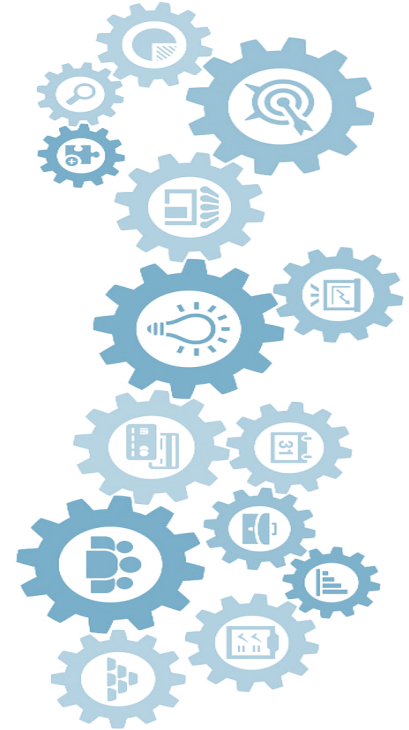
EFAA's [X account](#) has now over 1,270 followers and the [LinkedIn page](#) 760. The LinkedIn group, [EFAA Member Forum](#), is used to share relevant developments and provide a means for representatives of EFAA member organisations to share ideas, information, and insights.



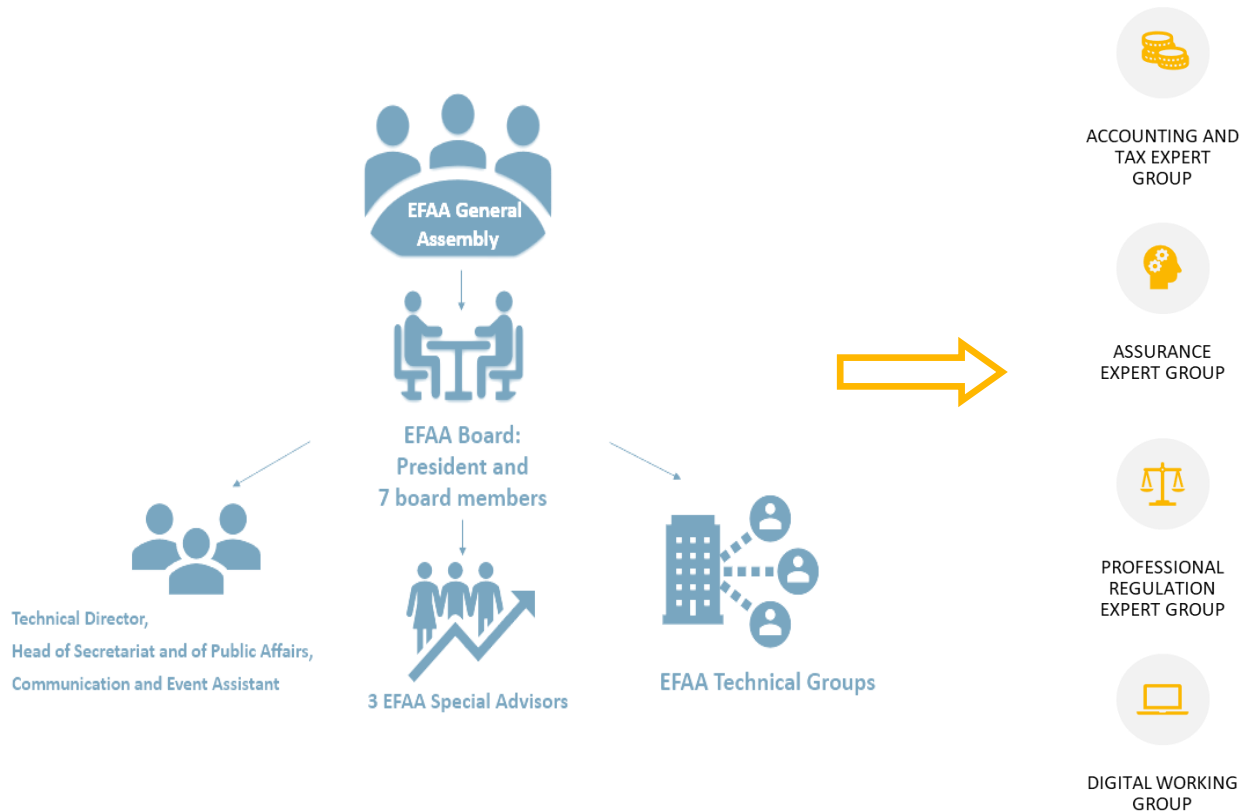
AN OVERVIEW

Financial Highlights

While EFAA has undertaken numerous activities in 2023, it remained well within its budget by focusing on efficient and effective use of its limited resources. As of 31 December 2023, reserves were equivalent to 12 months of operating expenditure. This is mainly the result of a reduction in travel and event expenses, due to an increased use of virtual events and meetings, and thus due to an adequate management of our resources, looking for the maximum efficiency, visibility and promotion of EFAA for SMEs.



EFAA Structure



Board Members and Staff - Status 31/12/2023



Salvador Marín
President
Economistas - Spain



Aleksander Štefanac
Board Member
GZS - Slovenia



Carlos Menezes
Board Member
OCC - Portugal



Ciprian Teodor Mihăilescu
Board Member
CAFR - Romania



Farouk Boulbahri
Board Member
CNOEC - France



Gerard van IJzendoorn
Board member and
Treasurer,
NBA - The Netherlands



Johan De Coster
Board Member
ITAA - Belgium



Marcus Tuschen
Board Member
DStV - Germany



Esther Ortiz-Martinez
Special Advisor



Robin Jarvis
Special Advisor



Richard Martin
Special Advisor



Paul Thompson
Technical Director



Sara Zambelli
Head of Secretariat and of Public
Affairs

EFAA serves its member organisations and their more than 400 000 individual members, who are the trusted advisors of millions of SMEs. Its strategy is structured around three pillars: informing, connecting, and advocating.



***EFAA for SMEs - European Federation of Accountants and Auditors
for SMEs***

4, Rue Jacques de Lalaing,
B - 1040 Brussels, Belgium

Tel: +32 2 736 88 86

Mail: secretariat@efaa.com

Web: www.efaa.com

Twitter: [@EFAAforSMEs](https://twitter.com/EFAAforSMEs)

Transparency Register Identification Number: 002077217226-17

Enterprise number: 0524.824.834