

EFAA for SMEs – Comments on the EU Initiative: Skills portability, action 2 – facilitating, modernising and expanding recognition processes for regulated professions

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EFAA for SMEs is pleased to comment on the proposed Skills Portability Initiative and to confirm its support for labour mobility across Europe.

EFAA warmly welcomes the specific mention of SMEs within the Call for Evidence and the recognition that simplification measures in this field are of particular value to the sector. Small and medium-sized practices (SMPs) of professional accountants, auditors and tax advisors play a critical role throughout Europe in ensuring robust and accurate financial reporting and compliance, particularly among the many SMEs for whom they are trusted advisors, as well as advising them on the EU's sustainability and digitalisation agendas.

However, SMPs are facing recruitment challenges due to a declining pipeline of qualified professionals, and this is compounded by difficulties in recognising professional qualifications in other Member States. SMPs will benefit particularly from any reduction in time and cost, which disproportionately impacts them compared to larger organisations, in assessing foreign qualifications during their recruitment processes.

At the same time, it is important to recall that accountancy, audit and tax advisory services are services of public interest. As such, regulators have a responsibility not only to facilitate professional mobility but also to ensure that appropriate safeguards are maintained. The cross-border movement of professionals should therefore be accompanied by additional guarantees reflecting the public interest dimension of these activities, ensuring high standards of competence, ethics and oversight. This is essential to protect the thousands of SMEs and citizens who rely on these services. Furthermore, in an evolving market where digital platforms are increasingly offering professional services across borders, it is equally important to ensure that consistent quality standards and regulatory oversight apply, so as to maintain trust and a level playing field.

EFAA considers that certain core skills, qualifications, and professional standards should be considered essential for the cross-border recognition of accountants, tax advisors, and auditors, to maintain high quality and public trust. These should be based on a robust common baseline and include:

- core technical competence in accounting, taxation, business law fundamentals and digital skills;
- mandatory adherence to high ethical and confidentiality standards;
- the ability to exercise professional judgement in a principles-based environment;
- quality management practices proportionate to the size of the practice and engagement.

EFAA considers that there should be uniform high-level minimum training standards for the accountancy profession at EU level to support better recognition, while safeguarding professional competence and ethical standards, which:

- define common learning outcomes and minimum practical experience, rather than detailed uniform curricula;
- allow national professional bodies and competent authorities to retain responsibility for delivery and oversight;
- clearly differentiate between accountants and statutory auditors, and consider extending the legal recognition of auditors to include professional accountants in the Accounting Directive.

EFAA considers the following mechanisms and safeguards are necessary to ensure that streamlined or digitalised recognition processes do not compromise ethical standards, independence, or the quality of services provided:

- active involvement of Professional Accountancy Organisations (PAOs) in verifying good standing, ethical compliance and Continuing Professional Development (CPD) in each jurisdiction and in coordination with the national authority;
- secure verification of qualifications, professional status and scope of practice;
- ongoing CPD and periodic revalidation, particularly in ethics and digital competence;
- proportionate compensatory measures where substantial differences exist.

In summary, EFAA considers that reforms to skills portability should reduce administrative friction while maintaining high professional standards, with clear definitions of scope of practice and proportionality for SMPs. The application of the “Think Small First” principle should guide any legislative or regulatory initiative in this area, ensuring that measures are designed with the specific realities of small and medium-sized practices in mind.

EFAA also supports the establishment of a more homogeneous approach to professional ethics and the recognition of professional titles across Member States, in order to enhance clarity, trust and legal certainty. Furthermore, consideration should be given to introducing a fast-track recognition mechanism between members of recognised Professional Accountancy Organisations (PAOs) in different European countries, while allowing for any additional requirements or specificities that may be necessary within each jurisdiction.

Such an approach would strike the right balance between facilitating mobility, safeguarding the public interest and maintaining high-quality professional services across the EU.

In line with the European Court of Auditors’ report in 2024 on [‘The recognition of professional qualifications in the EU’](#), EFAA calls for harmonised electronic recognition procedures wherever possible (noting the need for PAO involvement) to reduce costs for SMEs, and to allow effective tracking so that the effectiveness of the scheme can easily and regularly be monitored. If fees are charged, they should be consistent and proportionate, and Member States should not be permitted to ask for documentation over and above the minimum requirements.