

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaire. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire provide background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Associate:	Ordre des Experts-comptables OEC - Luxembourg
Approved by Governing Body:	OEC Council
Date Approved:	August 29, 2011
Date Published:	September 1, 2011

GLOSSARY

ASC	Advisory and Supervisory Committee	IAESB	International Accounting Education Standards Board
CPD	Continuous Professional Development	IESBA	International Ethics Standards Board for Accountants
EC	European Commission	IES	International Education Standard
ED	Exposure Draft	IRE	Institut des Réviseurs d'Entreprises
EU	European Union	IFRS	International Financial Reporting Standard
FEE	Federation of European Accountants	IPSAS	International Public Sector Accounting Standard
GAAS	Generally Accepted Auditing Standards	ISQC 1	International Standard on Quality Control 1
HCEP	High Council for the Economic Professions	I&D	Investigation and Discipline
IAASB	Int. Auditing and Assurance Standards Board	ISA	International Standard on Auditing
IASB	International Accounting Standards Board	NASC	National Accounting Standards Commission
		PIE	Public Interest Entity
		QA	Quality Assurance
		SMO	Statement of Membership Obligation

Action Plan Subject: SMO 1 - Quality Assurance
Action Plan Objective: Continue to use best endeavors

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>In accordance with the law of December 18, 2009 regarding the audit profession and the law of June 10, 1999 organizing the profession of “expert-comptable” (the Law) the OEC members do not perform any audit engagements such as defined in the law of December 18, 2009.</p> <p>As a result, OEC is not responsible for establishing a Quality Assurance (QA) review system.</p> <p>Nevertheless, OEC has implemented a peer review system with regards to all engagements of its members and also to fulfill its legal obligation, under article 11 f) of the Law, to ensure that OEC members respect their professional obligations arising from the legislation relating to combating money laundering and terrorism financing.</p>					
<i>Maintaining Ongoing Processes</i>					
1.	Ongoing	Continue to use best endeavors to improve the peer review system of the OEC.	Ongoing	OEC Council	OEC Council, OEC Technical Manager, OEC specialized committees
<i>Review OEC’s Compliance Information</i>					
2.	Yearly	The IFAC self-assessment questionnaires and this Action Plan will be reviewed periodically and updated as necessary. Once updated, the IFAC Compliance staff will be informed about the updates in order for them to republish updated information.	Yearly	OEC Technical Manager	OEC Councils and committees.

Action Plan Subject: SMO 2 - International Education Standards

Action Plan Objective: Convergence to the International Education Standards applicable to the profession

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The following three stages are involved in obtaining a licence as “expert-comptable”:</p> <ol style="list-style-type: none"> 1. Higher education Candidates must hold one or more Bachelor degrees or have undergone equivalent training. 2. Practical training period Candidates must then serve a period of at least three years’ training with a minimum of 1 year per 3 to be obtained with a qualified “expert-comptable”. 3. The professional aptitude examination Once the training period with a qualified “expert-comptable” has begun, candidates are able to sit the professional test leading to the award of the qualification. <p>The license of “expert-comptable” is under the responsibility of the Ministry of the Middle Classes and is delivered by this authority. The education requirements are set by law. The education program and the professional examinations are organized by the University of Luxembourg in accordance with the legal requirements. OEC is in the University Committee which is responsible for the professional education program and the organization of the examinations (test d’aptitude).</p> <p>Continuing Education Our organization is responsible for the Continuous Professional Development (CPD) of our members.</p> <p>The principle of CPD is set in OEC regulations, mainly :</p> <ul style="list-style-type: none"> - The new OEC “code de déontologie” based on the International Ethics Standards Board for Accountants’ (IESBA) Code of Ethics published in 2010, adopted by the OEC General Assembly of June 2011; and - The OEC standard adopted by OEC’s General Assembly of June 2010 relating to specific obligations to CPD of their own knowledge of the rules to combating money laundering and terrorism financing. 					

#	Start Date	Actions	Completion Date	Responsibility	Resource
Choices relating to their own CPD are under the responsibility of the OEC members, unless proposals are recommended by OEC and specific trainings organized by OEC and IRE (Institut des Réviseurs d'Entreprises-Luxembourg).					
<i>Maintaining Ongoing Processes</i>					
3.	Ongoing	Use best endeavors to improve the convergence to the International Education Standard (IES) 7.	Ongoing	OEC Council	Through the development of the OEC rules in this matter
4.	Ongoing	Through its membership to FEE (Federation of European Accountants), use best endeavors to participate in FEE comments on International Accounting Standards Board (IASB), International Accounting Education Standards Board (IAESB), IESBA, and International Public Sector Accounting Standards Board (IPSASB) developments.	Ongoing	OEC Council	Through representatives within the different FEE working parties
5.	Ongoing	Propose an annual continuing education program, which enables practitioners to comply with continuing education requirements.	Ongoing	OEC Council	OEC Technical Manager
6.	Ongoing	Inform the profession on the IASB, IAESB, IESBA and IPSASB developments through OEC website, and OEC newsletter, mainly.	Ongoing	OEC Council	OEC Technical Manager and OEC Secretariat
<i>Review OEC's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	Yearly	The IFAC self-assessment questionnaires and this Action Plan will be reviewed periodically and updated as necessary. Once updated, the IFAC Compliance staff will be informed about the updates in order for them to republish updated information.	Yearly	OEC Technical Manager	OEC Councils and committees

Action Plan Subject: SMO 3 - IAASB Pronouncements
Action Plan Objective: Not applicable

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i> OEC members do not perform any audit engagements. As a result, auditing standards do not directly apply to the OEC members. Please refer to the Compliance Program Action Plan of IRE for more information.					

Action Plan Subject: SMO 4 - IESBA Code of Ethics
Action Plan Objective: Promoting the IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Under the Law, OEC is responsible for establishing ethical requirements applicable to our members.</p> <p>In June 2011, the General Assembly of the OEC approved a new Ethics Code (“Code de déontologie”) based on the Code of Ethics for Professional Accountants of IESBA, published in April 2010 and used with formal permission of IFAC.</p> <p>The Code of Ethics has been approved with some necessary adaptations to Luxembourg’s specificities for our profession. These adaptations mainly relate to:</p> <ul style="list-style-type: none"> - The obligation to include some specific legal requirements (regarding Anti Money Laundering, compliance with professional secrecy as defined in the Criminal Code, etc.); and - The specific professional rules of independence which are always applicable to our members (independence regarding incompatible services, for example) even if they do not provide assurance and review engagements. <p>As a correlated standard, the 2011 General Assembly of the OEC has also adopted a document related to the professional diligences to be applied by Experts-Comptables providing contractual services with reference to International Standards on Related Services (ISRS), International Standards on Review Engagements (ISRE), and International Standards on Assurance Engagements (ISAE) issued by the International Auditing and Assurance Standards Board (IAASB).</p>					
<p><i>Promoting Ethical Requirements</i></p>					
8.	Ongoing	Inform the profession of the IESBA implementation guidance through OEC website, OEC newsletter and the OEC continuing education program.	Ongoing	OEC Council	OEC Technical Manager
9.	Ongoing	Through its membership to FEE, use best endeavors to participate in FEE comments on IASB, IAESB, IESBA and IPSASB developments.	Ongoing	OEC Council	Through representatives within the different FEE working parties

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
10.	Ongoing	Use the CPD process to increase training of our members' awareness about the clarified IESBA Code of Ethics in a Luxembourg environment published under the OEC "Code de déontologie 2011".	Ongoing	OEC Council	OEC Technical Manager
<i>Review OEC's Compliance Information</i>					
11.	Yearly	The IFAC self-assessment questionnaires and this Action Plan will be reviewed periodically and updated as necessary. Once updated, the IFAC Compliance staff will be informed about the updates in order for them to republish updated information.	Yearly	OEC Technical manager	OEC Council and OEC Committees

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards (IPSAS)

Action Plan Objective: Promoting the information of IPSAS and raising awareness about the work of the International Public Sector Accounting Standards Board

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
At the country's level, the Government has not established convergence with IPSASs as an objective and has no plans to do so. Nevertheless Luxembourg's Government follows European Union (EU) directives and regulations.					
The activities to promote standards and pronouncements issued by IPSASB are more under the scope of the Government itself and the Luxembourg Court of Auditors. Nevertheless information can be provided to OEC members regarding these standards.					
<i>Promoting IPSAS</i>					
12.	Ongoing	Provide the OEC members information regarding the International Public Sector Accounting Standards (IPSAS) and IPSASB developments through OEC website and OEC newsletter.	Ongoing	OEC Council	OEC Technical Manager
13.	Ongoing	Through its membership to FEE, use best endeavors to participate in FEE comments on IASB, IAESB, IESBA and IPSASB developments.	Ongoing	OEC Council	Through representatives within the different FEE working parties
<i>Review OEC's Compliance Information</i>					
14.	Yearly	The IFAC self-assessment questionnaires and this Action Plan will be reviewed periodically and updated as necessary. Once updated, the IFAC Compliance staff will be informed about the updates in order for them to republish updated information.	Yearly	OEC Technical Manager	OEC Council and OEC Committees

Action Plan Subject: SMO 6 - Investigation & Discipline
Action Plan Objective: Use best endeavors to improve information and guidance to Members

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The OEC's Investigation and disciplinary (I&D) rules for our profession are set by law.</p> <p>OEC has the power to carry out controls and to require any information deemed necessary from its members in the fields attributed by the Law. The controls shall be carried out in accordance with procedures decided upon by the general assembly. The OEC President investigates cases referred to him by the State Prosecutor, by complaint, or taken up of his own motion. If the President considers that he is in the presence of one of the situations referred to in Article 26 of the Law (see an extract below), he may refer the case to the Disciplinary Council. The President shall refer directly to the Disciplinary Council all cases referred to him from the State Prosecutor. The President may also delegate his powers of investigation and referral to another member of the OEC Council who is not a member of the Disciplinary Council. The Disciplinary Council complies with the forms laid down for the courts. Before referring a case to the Disciplinary Council, the OEC President draws up a record of the facts underlying the investigation. To this end, he may address himself to the General State Prosecutor with a view to having officers of the judicial police carry out an investigation.</p> <p>Within the framework of OEC's competences, the Disciplinary Council exercises the power to impose sanctions in respect of any of its members on account of:</p> <ul style="list-style-type: none"> - infringement of the legal and regulatory requirements; - professional misconduct and negligence; and - acts contrary to professional scrupulousness and dignity and in breach of honor and integrity, etc. <p>The whole is without prejudice to the administrative or judicial action which may result from the same facts.</p> <p>The disciplinary sanctions, in order of seriousness, shall be as follows: (a) a warning; (b) a reprimand; (c) a fine of from EUR 125 to EUR 250,000; (d) removal of the right to vote in the general assembly with a prohibition on being a member of the OEC Council for a maximum of six years; (e) suspension from exercising the profession for a term not exceeding five years; and (f) a definitive prohibition on the right to practice the profession.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
Decisions of the Disciplinary Council may be contested by way of appeal both by the member found guilty and by the General State Prosecutor. The appeal shall be brought before the civil chamber of the Court of Appeal, which rules by definitive judgment.					
<i>Maintaining Ongoing Processes</i>					
15.	Ongoing	Improve information and guidance to members through the OEC newsletter, OEC website and OEC continuing education program: <ul style="list-style-type: none"> - News relating to current regulations applicable to the profession (new laws, draft laws, circulars, etc.); - provisions of the ethical code and other applicable standards, rules and requirements; - consequences of non-compliance, etc. 	Ongoing	OEC Council	OEC Technical Manager
<i>Review of OEC's Compliance Information</i>					
16.	Yearly	The IFAC self-assessment questionnaires and this Action Plan will be reviewed periodically and updated as necessary. Once updated, the IFAC Compliance staff will be informed about the updates in order for them to republish updated information.	Yearly	OEC Technical Manager	OEC Council and OEC committees

Action Plan Subject: SMO 7 - International Financial Reporting Standards

Action Plan Objective: Assist the National Accounting Standards Commission with the adoption and implementation of IFRSs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>In accordance with the European Union Regulation concerning the application of International Accounting Standards and as endorsed by the European Commission, International Financial Reporting Standards (IFRS) are mandatory for the preparation of consolidated financial statements of listed entities. In addition, non-listed entities are permitted to apply IFRS for their consolidated financial statements and/or their statutory financial statements.</p> <p>The National Accounting Standards Commission (NASC), which is accountable to the Ministry of Justice, is responsible for setting the accounting standards and communicating them to the public.</p> <p>OEC representatives actively participate in the tasks of NASC and of its subgroups, which provide advice to the NASC with regards to the application of the accounting law and regulation and the implementation of IFRS.</p>					
<p><i>Promoting the Implementation of IFRS</i></p>					
17.	Ongoing	Use best endeavors to ensure proper IFRS implementation through the profession's involvement in the National Accounting Standards Commission and sub-groups.	Ongoing	OEC Council & OEC Technical Manager	Through representatives within the National Accounting Standards Commission and sub-groups
18.	Ongoing	Actively participate in the tasks of NASC and of its subgroups, which provide advice to the NASC with regards to the application of the accounting law and regulation, the implementation of the IFRS and suggest related amendment(s) to the law / regulation as appropriate.	Ongoing	OEC Council	Through representatives within the National Accounting Standards Commission and sub-groups

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Supporting Implementation of the Standards</i>					
19.	Ongoing	Ensure proper periodic coverage of IFRS within the OEC newsletter and the continuing education program to maintain or increase awareness about IFRS and their developments in a Luxembourg environment.	Ongoing	OEC Technical Manager	OEC Technical Manager and OEC Committees
<i>Review of OEC's Compliance Information</i>					
20.	Yearly	The IFAC self-assessment questionnaires and this Action Plan will be reviewed periodically and updated as necessary. Once updated, the IFAC Compliance staff will be informed about the updates in order for them to republish updated information.	Yearly	OEC Technical Manager	OEC Council and OEC committees