

European Commission
Mr Michel Barnier, Commissioner responsible for the internal market
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**Comments on the Commission's Green Paper on Audit Policy –
COM (2010) 561**

10 December 2010

Dear Mr Barnier,

Please find enclosed the comments on the Commission's Green Paper on Audit Policy formulated by the Trade and Industry Committee and the European Committee of the Danish Parliament.

The Trade and Industry Committee examined the Green Paper and drafted the comments set out below. The European Committee approved these comments at its meeting on 10 December 2010.

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"The Trade and Industry Committee and European Committee endorse the general statements that it is essential to have transparent rules in respect of audit obligations and duties.

There are unfortunately bad examples that make it necessary to have such rules. These provisions may well take the form of common European rules, while taking into account that there may be a need for special rules at national level.

Both committees support – cf. Question 15 in the Green Paper - moves to adapt international audit standards to the needs of smaller companies, such that the checks and procedures become less comprehensive. In contrast to other EU countries, Denmark has a relatively high number of small companies, while many small companies are traditionally subject to audit obligations. The audit obligation in Denmark has to do with such aspects as tax checks and the credibility of the company in terms of creditworthiness, etc. Accordingly, the audit obligation is of societal importance and is applied in the context of tax checks and credit provision by banks and other creditors. It is therefore essential that audit standards be appropriate for companies with fewer than 50 employees, companies that are currently subject to a considerable number of completely unnecessary procedures and safeguards of relevance to large companies. Adaptation of the audit standards to suit small companies could at the same time largely fulfil the EU's objective of reducing the administrative burden."

Yours faithfully,

Helge Sander
Chairman of the Trade and Industry Committee

Anne-Marie Meldgaard
Chairwoman of the European Committee