





# Trends in regulation of the financial sector: Accountancy

**Richard Martin**

# ACCA

- Association of Chartered Certified Accountants
- Largest global accountancy qualification
- 300,000 members and students in 160 countries
- UK origins and base
- Exams in IAS since 1997

# Accountancy and regulation

- **Supplying financial information for regulation of the financial sector**
- **Financial reporting for capital markets**
- **Audit of financial statements**

# External or self-regulation?

- Independence
- Conflicts of interest
- Expertise
- Adaptability
- Costs

# Institutional structures

- Oversight
- Involvement of interested parties
- Standard setting
- Enforcement
- Double jeopardy
- Transparency
- Due process

# Rules or principles

- US or European approach
- Clear unambiguous rules
- Loop holes
- Adaptability and scope
- Cultural differences
- Long term trend towards rules
- Some counter currents
  - IASB
  - SEC post-Enron

# Setting rules and enforcement

- Both are needed
- Separation
- Positive feedback
- Interpretations and enforcement decisions
- Enforcement mechanisms
  - Transparency
  - Appropriate sanctions



# Globalisation

- Level playing field
- Comparability for global capital markets
- Reinventing the wheel
- Boundaries
  - Global
  - National
  - Regional for example E U

