

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

### **Use of Information**

Please refer to the [Disclaimer](#) published on the Compliance Program website.

## **ACTION PLAN**

<b>IFAC Member:</b>	Royal NBA, Koninklijke Nederlandse Beroepsorganisatie van Accountants (Netherlands)
<b>Approved by:</b>	NBA Management
<b>Last Updated:</b>	June 2019
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<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

## **GLOSSARY**

ACB	Advies College Beroepsreglementering (Technical Advisory Committee)
ACE	Accountancy Europe (former FEE: Federation des Experts Comptables)
ACSO	Accountancy Onderwijs Scholen Overleg (joint working group for professional universities for (post-graduate) education AA)
AFM	Autoriteit Financiële Markten (Authority Financial Markets: Oversight)
BW	Burgelijk Wetboek (Dutch Law)
CBb	College voor Beroep in bedrijfsleven (Appeal Court)
CJ	Commissie Jaarverslaggeving (NBA Commission for Financial Reporting)
CC	Common Content
CEA	Commissie Eindtermen Accountancy (Commission Learning Outcomes Accounting and Auditing)
CIGAR	Comparative International Governmental Accounting Research
CPD	Continuous Professional Development
DAS	Dutch Accounting Standards (local standards for non-listed companies/non-PIEs) based on national/EU-law
EC	European Commission
ED	Exposure Draft
EFAA	European Federation for Accountants and Auditors for SMEs
EU AD	European Union Audit Directive
FAR	Foundation Audit Research
HRA	Handboek RegisterAccountant (Guide for complete official Dutch audit & assurance and non-assurance regulations)
IBR	Instituut voor Bedrijfsrevisoren (Belgian Institute)
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretations Committee
IIA	Institute of Internal Auditors
IIRC	International Integrated Reporting Council
IR	Integrated Reporting
KC	Klachtencommissie (Commission for complaints)
KOA	Kwaliteitsonderzoek Overheidsaccountants (QA-body for public sector audits)
MCA	Monitoring Commission Accountancy
MoF	Ministry of Finance
NBA (Royal)	Koninklijke Nederlandse Beroepsorganisatie van Accountants (Dutch PAO)
NBA YP	NBA Young Profs (Commission for young members active in public debate and policy dialogue)
NBA-CPD	NBA department for post qualification professional development (former VERA/VDA)
NEMACC	Research Center for SMPs (collaboration NBA and Erasmus University)
NFI	Non-Financial Information
NIVRA	(Koninklijk) Nederlands Instituut voor RegisterAccountants (pre- merge PAO: IFAC member)
NOvAA	Nederlandse Orde van Accountants Administratieconsulenten (pre-merge PAO: non IFAC member)
NOREA	Nederlandse Orde van Register EDP-Auditors
NVAK	Nadere Voorschriften Accountantskantoren (ISQC1-based, withdrawn)
NVAO	Nederlands-Vlaamse Accreditatie Organisatie (Accreditation Board for Education Institutes in Belgium and Netherlands)
NVCOS	Nadere Voorschriften Controle en Overige Standaarden (ISAs, ISREs, ISAEs, ISRSs)
NVKS	Nadere Voorschriften Kwaliteits Systemen (Quality Control-requirements for firms without statutory audit license)
PWA	Permanent Working group Accountancy (joint working group for academic universities for post-graduate education RA)

Redcie	Central Examination Committee for final Auditing exams (Redactiecommissie)
RJ	Raad Jaarverslaggeving (Commission Dutch Accounting Standards)
RvG	Raad voor Geschillen (Commission for investigation on minor disputes)
RvP	Raad voor de Praktijkopleiding (Commission Work Experience RA and AA)
RvT	Raad van Toezicht (Commission Quality Assurance of NBA)
SR	Signaleringsraad (Commission for public interest issues in specific industries, responsible for public management letters)
SRA	Samenwerkende RegisterAccountants (Dutch Institute for SMPs)
VAO	Verordening AccountantsOrganisaties (Quality Control-requirements for firms with statutory audit license)
VBA	Verordening op de Beroepseed voor Accountants (requirement professopnal oath)
VGBA	Dutch CoE (Verordening Gedrags- en Beroepscode Accountants)
VRC	Controllers in Business (Verenging Register Controllers)
ViO	Independence regulation (Verordening inzake Onafhankelijkheid)
Wft	Law for oversight on financial accounting and reporting (by AFM)
WHW	Wet Hoger Onderwijs en Wetenschappelijk Onderzoek (Law Higher Education and Scientific Research)
Wta	Law on oversight on financial auditing and licensing firms for statutory audits (by AFM)
WTRA	Wet Tuchtrechtpraak Accountants (Law on Discipline)
Wwft	Wet voorkoming witwassen en financiering terrorisme (Law anti-money laundering and funding terrorism)

## **General Background**

### **NBA as a Professional Accountancy Organization**

The NBA is the professional body for accountants in the Netherlands. As per January 2013 the law 'Wab' is effective, the legal foundation of a Dutch PAO: Nederlandse Beroepsorganisatie van Accountants (The Netherlands Institute of Chartered Accountants), covering two qualifications (RA and AA); then Royal NIVRA (founded 1895) and NOvAA (founded 1948) were merged in the new organization NBA. The NBA's membership comprises of a broad, varied occupational group of over 20,000 professionals working in public accountancy practice, at government agencies, as internal auditors or in organizational management. Every accountant should regard integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as fundamental ethical standards focusing on public interest. Since 2016 members are required to take the a professional oath (VBA). The NBA mission is to assist accountants in fulfilling their crucial public interest role in society, both today and in the future. NBA is member of IFAC, ACE & EFAA.

### **Regulation of the Accountancy Profession in The Netherlands**

Based on Wab (approved by Ministry of Finance and Parliament) NBA has been (partly) mandated for self-regulation in the field of audit and assurance standards, quality control standards, ethical standards and quality assurance inspections. NBA's focus in fulfilling this mandate are international standards and best practices, but NBA needs to comply with relevant 'add-on' national and EU legislation.

In general the relevant responsibility levels are as follows:

SMO1: shared responsibility with oversight body AFM, based on Wta/Bta (EU AD originated).

SMO2: shared responsibility with CEA, responsible (based on Wab) for learning outcomes and accreditation of education providers (EU AD originated).

SMO3: direct responsibility: responsible for implementation of IAASB pronouncements; EU audit requirements are embedded in Dutch law (BW2T9).  
SMO4: shared responsibility: NBA is responsible for implementation IESBA –pronouncements and for national/EU ethics and independence regulation.  
SMO5: no responsibility: Ministry of Finance is responsible for accounting standards in the public sector.  
SMO6: shared responsibility: based on WTRA Ministry of Justice is responsible for I&D; NBA is entitled to file complaints or bring cases to the Court.  
SMO7: no responsibility: Ministry of Finance is responsible for accounting standards in the private sector.

### **News topics for Action Plan update (since 2015)**

#### Continued monitoring of implementation 53 measures of the 2015 report 'In the public interest'

In order to restore trust NBA continues the monitoring of the implementation of the 53 measures included in the 2015 report "In the public interest" (endorsed by NBA and presented the Ministry of Finance, MoF). The 53 measures entail the improvement of the quality and independence of the audit in the Netherlands. Key in the report are elements like a culture/attitude that puts public interest beyond client/personal interest; quality beyond the maximization of profits and continued improvement of professional quality. The measures focus primarily on the audit practices of firms with an AFM license for statutory (PIE) audits, covering the following issues:

1. robust governance
2. competing on quality as the earnings model
3. remuneration policy on the appropriate incentives
4. constant monitoring and improvement
5. a learning profession (installation of a research institute FAR)
6. measuring culture and communication
7. an effective reporting and audit chain

One of the new elements is a professional oath requirement. All 19,300 active members have taken the professional oath. Another element is the installation of the FAR (Foundation Audit Research) for academic audit research in collaboration with firms.

The Monitoring Commission Accountancy (MCA), initiated by as one of the 53 measures, presented mid-term evaluation reports. Based on recommendations of this report a Steering Group - with a multi-year agenda - has been appointed to initiate a 'change agenda' with a more thorough root cause analysis (in collaboration with FAR) on so-called more 'wicked problems' in the industry in terms of quality, culture and behavior. This analysis currently includes considerations for business model, partner model and earnings model.

#### Elective structure for education, work experience and qualification

Based on new NBA professional profiles (2015) and CEA learning outcomes (2015) for knowledge, skills and work experience NBA is in the process for adopting and implementing a new structure for (monitoring) work experience. The new structure entails three electives: assurance, accountancy-SME and accountancy-finance. The current learning outcomes are characterized by a larger focus on ethics, professional behavior/skepticism, IT and corporate governance. The structure intends to anticipate on future features of the profession and the professionals. Currently the finance elective is evaluated.

Education providers are in the process of implementing the new elective structure and learning outcomes, to be completed in 2019.

NBA started the implementation of the elective-based program for work experience in 2017. The adaptation of the NBA examinations for foreign audit professionals aligning with the new learning outcomes is currently work in progress.

#### Integrated Thinking and Integrated Reporting

In 2016 NBA embraced a gradual implementation of Integrated Thinking and Integrated Reporting (based on the IIRC <IR> Framework) for adopting a forward-looking and broader approach to long-term value creation for the profession and NBA as PAO, considering 'public trust' being key for public interest value creation,

#### Vision and Strategy

Since 2016 NBA is in the process of developing an innovative long term vision/strategy for the future of the pluriform (Dutch) profession and NBA as PAO. This is a process in dialogue with major stakeholders in the context of relevant (global) trends for the profession such as sustainable economy, low trust society and technology. Main themes in the new vision will be: societal relevance, quality beyond doubt, innovative power, learning profession and strong brand.

In this context currently the following activities have been anticipated:

- designing a model for continuous forward looking and innovation by means of intensifying stakeholder dialogues with capitals markets, financial, education and health care industries, public sector and SME-sector; which includes NBA's strategy and role in international perspective;
- developing an agenda for innovation of assurance services ('trust beyond assurance') in stakeholder collaboration, which includes innovative reporting features in directors'-/management reports, sustainability reports, integrated reports, also influenced by the EU-Directive NFI;
- exploring the impact of technology on future professional services (applicability, security, SBR (currently required by law), dashboard, datamining);
- designing a clear strategy for the role of the whole profession in non-financial information: businessmodel, frameworks, regulation and assurance;
- responding to the increasing relevance for the profession to act in the field of fraud/corruption and tax, in the context of role and position in society;
- evaluating NBA's role in the due process for standard setting, including the quality and applicability of standards and regulation;
- implementing an elective program for education, work experience and qualification, based on CEA learning outcomes & NBA professional profiles;
- revising of NBA's CPD facility focusing on a more personalized and output-based performance;
- improving the quality level of the performance of firms under NBA's QARP responsibility;
- exploring the attractiveness of the profession for new talent generations based on current developments on the industry labor market;
- investing in the culture, skills, learning power and quality of NBA board, management, staff and committee members;
- developing a proactive model for (social) media communication for an effective monitored dialogue with a broader group of stakeholders.

Objective is that the new long term vision is translated into a multi-year strategy by the end of 2018, followed by redesign of governance (NBA 3.0).

#### Collaboration NBA-VRC

On VRC initiative the managerial and operational collaboration between NBA and VRC has been terminated by 1 September 2017.

**Action Plan Subject: SMO 1 and Quality Assurance**

**Action Plan Objective:** Continue to use best endeavors to ensure that all Quality Assurance Review requirements are incorporated into Dutch professional practice and oversight

#	Start date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p><u>Shared Responsibility:</u> For statutory audits the Authority Financial Markets (AFM) is responsible for quality assurance (QA's). NBA's Raad voor Toezicht (RvT) is responsible for QA's all other assignments. NBA has been granted accreditation by AFM to perform QA's on statutory audits-non-Public Interest entities (non-PIEs). The AFM approach for QA's on audits of PIEs is completely aligning SMO 1 requirements. Accreditation has been granted by NBA to specific bodies that perform QA's for their members/target categories (public sector (KOA), internal auditors (IIA), small and medium practices (SRA). NBA, SRA and AFM aim to converge QA-practices.</p> <p><u>New elements relevant in the Action Plan for SMO1 (since 2015):</u></p> <ul style="list-style-type: none"> <li><i>Incorporation of PIE-audit firms' QC-requirements for audit quality and independence based on the Report "In the public interest" (2015, ongoing)</i></li> <li><i>implementation (Wab/Wta/Bta/ViO), based on EU-AD, of restrictions on non-assurance services for PIE-audits, audit firm rotation regulation and audit committee responsibilities (2016)</i></li> <li><i>withdrawal (2018) of VAO for statutory audits; ISQC1-requirements are embedded in the updated relevant stipulations in Wta/Bta/ViO</i></li> <li><i>adoption and implementation of the new NVKS (Nadere Voorschriften Kwaliteitssystemen); the Dutch ISQC1 replacing the former NVAK; this regulation entails Quality Control-requirements for firms without statutory audit license (2018)</i></li> </ul>					
<p><i>Updating and resuming Quality Assurance reviews by NBA</i></p>					
1.	Ongoing	Ensure that all active members are informed in a detailed level about revisions in RvT (Quality Assurance Review Program based on SMO 1) for non-PIE statutory audits, non-statutory audits, other assurance services and assurance related services	Completed , further ongoing	RvT (by NBA Board mandate and AFM accreditation)	RvT
2.	Ongoing	Update and disseminate guidance and tools (Quality Control (QC)-application) for practices of active members to prepare for RvT-reviews.	Ongoing	RvT (by NBA Board mandate and AFM accreditation)	RvT
3.	Ongoing	Ensure that review team leaders and review team members are supplied adequate level of instruction and tools (QC-application) on RvT in order to perform reviews.	Ongoing through newsletter, publication and CPD (Academy)	RvT (by NBA Board mandate and AFM accreditation)	RvT
4.	Ongoing	Perform QA-reviews for statutory audits-non-PIEs, non-statutory audits, other assurance services and assurance related services based on RvT regulation and tools for those firms that are AFM-licensed.	Ongoing	RvT (by NBA Board mandate and AFM accreditation)	RvT, expert members

#	Start date	Actions	Completion Date	Responsibility	Resource
5.	Ongoing	Perform an integral QA-review program for firms performing non statutory audits, other assurance services and assurance related services based on RvT cycle-based approach. Perform a repetitive review in case of established substandard quality level resulting from former reviews (risk-based-approach)	Ongoing	RvT (by NBA Board mandate)	RvT, expert members
6.	Ongoing	Summarize and report the findings of the reviews to the Board of NBA and design follow up actions if required. Report to members.	Ongoing	RvT (by NBA Board mandate)	RvT
<i>Continue to use best endeavors to ensure that all QA-requirements are incorporated into the Dutch professional practice and oversight</i>					
7.	Ongoing	Actively promote timely updates of Quality Assurance Review Program (QARPs) resulting from (recent) developments in Dutch Reporting and Audit Law (which partly is based on EU 8 <sup>th</sup> Directive requirements) in the field of independent audit and public oversight that will monitor the quality of statutory audits.	Ongoing	RvT (by NBA Board mandate and AFM accreditation)	RvT
8.	Ongoing	Perform policy dialogues on SMO 1-requirements with the Authority Financial Markets (AFM) and SRA for reasons of equal level playing field in compliance with requirements and concurrence of mutual QA's at AFM-licensed firms	Ongoing	RvT (by NBA Board mandate and AFM accreditation)	RvT, AFM
9.	Ongoing	Perform work practice dialogues on SMO 1-requirements with the SRA (body for SMPs), assess their QARP (system every 3 years, process every year) for accreditation purposes for reviews of non-statutory audits, other assurance services and other services.	Ongoing	RvT (by NBA Board mandate), SRA	RvT, SRA
10.	Ongoing	Perform work practice dialogues on SMO 1-requirements with the body for auditors in the public sector (KOA), assess their QARP -system periodically for accreditation purposes for reviews of assurance and other services (system every 3 years, process every year).	Ongoing	RvT (by NBA Board mandate)	RvT, KOA
11.	Ongoing	Perform work practice dialogues on SMO 1-requirements with IIA (internal auditors) and NOREA (IT-auditors), assess their QARP-system periodically for accreditation purposes for reviews of assurance and other services.	Ongoing, assessment for IIA; accreditation for NOREA cancelled	RvT (by NBA Board mandate), IIA, NOREA	RvT, IIA, NOREA
12.	2014 and Ongoing	Related to QA and QC NBA continuously initiates actions for audit quality improvement, safeguarding ethics, professional behavior/skepticism, fraud risk, oversight and transparency and improvement of the guardian's role of the profession in public society. The initiatives often go beyond IFAC or European Commission (EC) regulation. For more details see General Background). The monitoring and enforcement are particularly relevant for (future) QARP's; for 2018 specifically the implementation of NVKS. Special attention is necessary for audit quality of non-PIE statutory audits.	2018 and Ongoing	CEO and Board of NBA and firms	Responsible Committees of NBA and education providers

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
13.	Ongoing	Ensure that active members are supplied adequate level of CPD courses on QA's based on SMO 1. Develop and provide CPD (for members in audit practice) on ethics & professional skepticism and fraud risk for those in assurance services. Initiate appropriate sanctions aligning with SMO6 investigation and discipline requirements for firms with repetitive substandard results and incidents, with legal support where necessary.	CPD: Ongoing; SMO6 implications Ongoing Legal support: as from 2017, Ongoing	RvT (by NBA Board mandate)	RvT, NBA CPD
14.	Ongoing	Continue to ensure that NBA's QARP is operating effectively and continues to be in compliance with SMO 1 requirements. This includes providing comments on EDs, periodic review of the operation of the QARP-system and updating the Action Plan for future activities where necessary.	Ongoing	RvT (by NBA Board mandate)	RvT,
15.	Ongoing	Perform dialogues to ensure that review programs of AFM, SRA, KOA, IIA and NOREA (no accreditation) are operating effectively and continue to be in compliance with SMO 1 requirements.	Ongoing	RvT (by NBA Board mandate) SRA, AFM, IIA, KOA, NOREA	RvT, SRA, AFM, IIA, KOA, NOREA
16.	2014	Assess the level and consequently refresh the task force of review team leaders and review team members, specifically for adjustments in Inspection Questionnaires(principle-based) that are used by AFM, SRA and NBA for statutory audits of non-PIEs and non-statutory audits and for sharing best practices in case of incidents (including legal support awareness).	Completed for 2016 for statutory audits, in process for non-statutory audits,, Ongoing	RvT (by NBA Board mandate)	RvT



**Main Requirements of SMO 1**

Requirements	Y	N	Partially	Comments
<b>Scope of the system</b>				
1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	<b>X</b>			
<b>Quality Control Standards and Other Quality Control Guidance</b>				
2. Firms are required to implement a system of quality control in accordance with the quality control standards.	<b>X</b>			
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	<b>X</b>			
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	<b>X</b>			
<b>Review cycle</b>				
5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	<b>X</b>			
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	<b>X</b>			QA for audits of PIEs is performed by AFM
<b>QA Review Team</b>				
7. Independence of the QA Team is assessed and documented.	<b>X</b>			

Requirements	Y	N	Partially	Comments
8. QA Team possesses appropriate levels of expertise.	<b>X</b>			
<b>Reporting</b>				
9. Documentation of evidence supporting the quality control review report is required.	<b>X</b>			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	<b>X</b>			
<b>Corrective and disciplinary actions</b>				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	<b>X</b>			
12. QA review system is linked to the Investigation and Discipline system.	<b>X</b>			
<b>Consideration of Public Oversight</b>				
13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.	<b>X</b>			
<b>Regular review of implementation and effectiveness</b>				
14. Regular reviews of implementation and effectiveness of the system are performed.	<b>X</b>			

**Action Plan Subject:** SMO 2 and International Education Standards  
**Action Plan Objective:** Continue to use best endeavors to ensure that all IES requirements are incorporated into the Dutch professional education system

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p><u>Shared Responsibility:</u>            In the Netherlands the Commissie Eindtermen Accountancy (CEA- Commission Learning Outcomes Accounting and Auditing) is responsible for the learning outcomes of postgraduate accountancy education and accreditation of education providers, based on Wab (law). NBA is responsible for issuing the 'profession's profile, based on Wab (law). 'Academic universities for RA's (PWA education providers) and Professional universities for AA's (ACSO education providers) are free to design curricula based on the required learning outcomes and the profession's profile). For the accreditation and compliance reviews of the IPD bachelor/master-part the Nederlands-Vlaamse Accreditatie Organisatie (NVAO-Accreditation Board for Education Institutes in Belgium and Netherlands) is responsible, based on WHW (law). For the post-graduate part compliance with learning outcomes is safeguarded through periodical reviews and accreditation by CEA. NBA is responsible for work experience assessment and CPD (regulation, program and monitoring), based on Wab (law). The required minimum CPD is 80 hours per 2 years. IPD and CPD requirements for the accountancy profession in The Netherlands are completely aligned with SMO2;IPD and CPD requirements for the accountancy profession are completely aligned with the 2015 revised IES.</p> <p>The Wab (law) covers regulation for both Dutch qualifications AAs and RAs. Both qualifications are protected and give the exclusive practice rights for audit-and assurance and other assignments according to the IAASB-assurance framework. All qualified AAs/RAs are registered in NBA-register (Wab). For statutory audits a firm-license by AFM is required and the licensed firms are required to register the individual qualified professionals at AFM-register (Wta/Bta). Generally speaking statutory audits are mostly performed by RAs; the field of work of AAs is for the large part in the SME-environment. As from 2018 PIE-audits are restricted to RAs. Education and training requirements for AAs and RAs as mentioned above are equal with the exception that education for AAs is provided by professional universities and for RAs by academic universities (Wab). Qualifying members are to take the professional oath since 2016 (VBA)</p> <p><u>New elements relevant in the Action Plan for SMO2 (since 2015):</u></p> <ul style="list-style-type: none"> <li>• <i>Elective structure for education, work experience and qualification</i>            Based on new NBA professional profiles (2015) and CEA learning outcomes (2015) for knowledge, skills and work experience NBA is in the process for adopting and implementing a new structure that entails three electives: assurance, accountancy-SME and accountancy-finance. Education providers are in the process of implementing the new elective structure and learning outcomes, to be completed in 2019. NBA started the implementation of the elective-based program for work experience in 2017. The new learning outcomes are characterized by a larger focus on ethics, professional behavior/skepticism, IT and corporate governance. The new structure intends to anticipate on future features of the profession and the professionals. The finance elective does not provide for assurance services; the SME elective will include a provision for 'other assurance'. The finance elective is currently being evaluated. The adaptation of the NBA examinations for foreign audit professionals aligning with the new learning outcomes is currently work in progress.</li> <li>• <i>Pilot-program 2017 for revising NBA's CPD facility focusing on a more personalized and output-based performance,</i>            Implementation foreseen in 2019.</li> </ul>					
<p><i>Perform best endeavors to ensure that all International Education Standards requirements are incorporated into the Dutch professional education system</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Ongoing	Perform policy dialogues on SMO 2-requirements with the independent 'Commissie Eindtermen Accountantsopleiding (CEA), appointed by the Ministry of Finance, that stipulates and disseminates learning outcome requirements (LO's) for theoretical professional education for both qualifications RA and AA (to education providers) and for work experience competences (to firms and NBA), based on (1) all IESs and other IAESB-pronouncements, (2) the EU Directive on Statutory Audits, (3) the Profession Profile for the qualifications, issued by NBA, and (4) the Common Content benchmark (for knowledge and skills).	Update LO's and Profession Profile for electives, completion in 2019	Coordinator Education NBA, CEA and PWA (education providers)	Responsible Committees of NBA, CEA and education providers (PWA, ACSO)
2.	Ongoing	Perform policy dialogues on the EU-Directive and IES 5-requirements with NBA Raad voor de Praktijkopleiding (RvP, body responsible and mandated for the different work experience programs for RA's and AA's), CEA and firms in order to ensure continued compliance with IES5.	Update LO's and Profession Profile for electives, completion in 2019	Coordinator Education, RvP, CEA and firms	Responsible Committees of NBA, CEA and firms
3.	Ongoing	Perform policy dialogues on EU-Directive and IES 7-requirements for RA and AA member with NBA CPD, which department is responsible for the organization of the CPD programs. NBA stipulates and disseminates CPD-requirements to RA and AA members and is responsible for monitoring compliance.	Ongoing	Coordinator Education	Responsible Committees of NBA CPD
4.	Ongoing periodically	Perform policy dialogues with CEA on the subject of academic level requirements (related to SMO 2) by the independent NVAO (Dutch Flemish Accreditation Organization) which organization is responsible for quality assessment and accreditation of bachelor- and master programs in professional higher education (AA) and academic universities (RA).	CEA assessment for RA program in 2017 (completed) and for AA-program in 2018 (in process)	Coordinator Education NBA, CEA, PWA, ASCO, education providers (and NVAO)	Responsible Committees of NBA, CEA, NVAO and PWA / ACSO
<b>Strengthening IESs and New Developments</b>					
5.	2008	All IESs: Perform best endeavors to ensure that implementation of professional accounting & auditing education complies with all IESs, EU-Directive and NBA's Professional Profile, in the context of establishing the Common Content requirements in national education by participation in the Common Content Steering Group and Common Content Oversight Committee and by encouraging implementation of post-peer review follow-up recommendations.	Full CC self-assessment and review (RA/AA-SME) is scheduled for 2018 (in process)	Coordinator Education NBA, member CC Steering Group (SG)	Education Committee of NBA
6.	Ongoing	IES 1: Perform best endeavors to ensure that entry-requirement level (admission into a recognized university degree program or its equivalent considering existing exemptions) is maintained in the Netherlands for RA and AA in policy dialogues with CEA and education providers. In this approach NBA (responsible for the Professional Profile) cooperates with CEA (responsible for the learning outcomes).	Update LO's and Profession Profile for electives, completion in 2019	Coordinator Education NBA, PWA, ACSO	Responsible Committees of NBA and other bodies

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	Ongoing	IES 2, 3 and 4: Perform best endeavors to ensure that implementation of professional accounting & auditing education complies with IES 2, EU-Directive and NBA Professional Profile for RA and AA (CEA requirements) in the context of the new elective structure.	Update LO's and Profession Profile for electives, completion in 2019	Coordinator Education NBA, NBA Board	Responsible Committees of NBA, CEA, PWA, ACSO and other bodies
8.	Ongoing	IES 5: Perform best endeavors to ensure that adoption and implementation of revised (elective) learning outcomes for the work experience requirements of the pre-qualification program for RA and AA under the responsibility of CEA (based on the existing CEA theoretical learning outcomes and the NBA Professional Profile) complies with IES 5, EU-Directive, CEA LOs and NBA Profession Profile.	Update LO's and Profession Profile for electives, completion in 2019	Coordinator Education NBA, CEA	Responsible Committees of NBA, CEA
9.	Ongoing	IES 5: Perform best endeavors to improve convergence between the three year's work experience training period and theoretical education in collaboration with CEA and PWA, ACSO for RA's and AA's for the new elective structure.	Update LO's and Profession Profile for electives, completion in 2019	Coordinator Education NBA, CEA and education providers (PWA, ACSO)	Responsible Committees of NBA, CEA and education providers (PWA, ACSO)
10.	Ongoing	IES 6: Perform best endeavors to ensure that the required pre-qualification assessment is maintained in the Netherlands for RA's and AA's, in collaboration with other bodies (PWA and other education providers, Redcie) and for aptitude tests and exemption regulations, in collaboration with CEA. As from 2016 new registries are required to take the oath.	Taking the oath implemented in 2017, Update LO's and Profession Profile for electives, completion in 2019	Coordinator Education NBA and CEA, PWA, ACSO, Redcie	Responsible Committees of NBA, CEA
11.	Ongoing	IES7: Ensure that new developments and members needs are captured in the total CPD-program for all member categories: public, internal, government accountants and auditors, accountants in business, SMPs. Based on new developments and QARP-experience a NBA Board decided to require a mandatory CPD-course on Fraud Risk (for assurance providers) in 2017.	All post-mandatory courses completed, 2017 (CPD Fraud Risk) completed, further ongoing	Coordinator Education NBA, NBA Board, education providers	Responsible Committees of NBA, NBA-CPD and education providers
12.	Ongoing	IES 7: Investigation of implementing a more personalized and output-based approach system for CPD (with a required Personal Development Plan), including an improvement of requirement categorization, monitoring and sanctioning. Pilot testing 2017; intended implementation 2019.	Pilot test 2017, assessment in 2018, to be completed 2019	Coordinator Education NBA, NBA Board	Responsible Committees of NBA, NBA-CPD
13.	Ongoing	IES 8: Notify, monitor and provide guidance to active members that perform (statutory) audits and other assurance assignments and admitted auditors (not all members in actual practice as statutory auditors) for compliance with the IES 8-requirements and the EU 8 <sup>th</sup> Directive by ensuring that pre-qualification education and CPD meet the required level.	Ongoing	Coordinator Education NBA, NBA Board	Responsible Committees of NBA, NBA-CPD, AFM, SRA

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
14.	Ongoing	NBA (including NBA-CPD, RvP), CEA and education providers (PWA, Redcie and ACSO) maintain an ongoing process to monitor new and revised standards and incorporate them into education and examination requirements.	Ongoing	Coordinator Education NBA, RvP, CEA, PWA, Redcie and ACSO	Responsible Committees of NBA, RvP, CEA, PWA Redcie and ACSO
15.	Ongoing	Continue to use best endeavors to ensure CEA education requirements for RA's and AA's continue to meet all EU 8 <sup>th</sup> Directive, IES-, NBA Professional Profile- and Common Content requirements. This includes providing comments on IAESB EDs, review of the existing requirements and preparation of the Action Plan for amendments where necessary.	Ongoing	Coordinator Education NBA, CEA and education providers	Responsible Committees of NBA, CEA and education providers, CC, PWA, ACSO

**Action Plan Subject:** SMO 3 and International Auditing and Assurance Standards Board Pronouncements  
**Action Plan Objective:** Further improve and maintain processes to ensure ongoing convergence with IAASB pronouncements in Dutch professional practice

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p><u>Direct Responsibility:</u>                      The audit requirement is embedded in Dutch law aligning EU audit thresholds and regulation and additionally in specific industries based on national law. The NBA Advies College Beroepsreglementering (NBA Technical Advisory Committee)-ACB is responsible for translation (<a href="https://www.nba.nl/wet-en-regelgeving/gedrags-en-beroepsregels/actueel/hra-nv-cos/">https://www.nba.nl/wet-en-regelgeving/gedrags-en-beroepsregels/actueel/hra-nv-cos/</a>) and implementation of International Auditing and Assurance Standards Board (IAASB) pronouncements and for initiating, designing, adopting specific Dutch standards, regulation and guidance on best practices. The IAASB-pronouncements (version 2016) have been completely adopted and implemented in Dutch regulation: NVCOS (NBA-regulation) being a direct translation of ISAs, ISREs, ISAEs and ISRSs. ISQC1-requirements are completely included (not a direct translation) in Dutch regulation: for statutory audits: Wta/Bta (law) and VAO (NBA-bylaw) and for other assignments: NVKS (NBA-bylaw); NVAK has been withdrawn (2018).</p> <p><u>New elements relevant in the Action Plan for SMO3 (since 2015):</u></p> <ul style="list-style-type: none"> <li>• implementation of revised standards NVCOS 700/800 as a consequence of NVCOS 701 (2016), already implemented in 2014 as NVCOS 702N</li> <li>• implementation of NVCOS 3000A/3000D (for <u>Attest</u> and <u>Direct</u> assignments respectively), in compliance with clarified ISAE 3000 (2017)</li> <li>• revision of NVCOS 3810N, Dutch assurance standard for CSR reports (since 2009), for convergence of ESG practices aligned with clarified ISAE 3000</li> <li>• implementation of a revised NVCOS 4410, also applicable for compilation of micro-entities FS, based on scalable requirements (2017)</li> <li>• withdrawal of VAO for statutory audits; ISQC1-requirements are embedded in the updated relevant stipulations in Wta/Bta/ViO (2018)</li> <li>• adoption and implementation of NVKS (Nadere Voorschriften Kwaliteitssystemen); the Dutch ISQC1 replacing the former NVAK; this regulation entails Quality Control-requirements for firms without statutory audit license (2018)</li> <li>• guidance for assurance reports and work effort on Director's Reports related to EU AD, EU Directive NFI, Dutch Corporate Governance Code concerning the requirement for investigation for material misstatements (2017)</li> <li>• guidance for assurance assignments applying the stipulations of the Dutch Corporate Governance Code (2018)</li> <li>• continued monitoring implementing of statutory audit firms' QC-requirements for audit quality and independence based on the NBA report "In the public interest", issues like: culture, board self-assessment, assignment acceptance, remuneration incentives, work load transparency, goodwill, CPD</li> </ul>					
<p><u>Updating regulations</u></p>					
1.	Ongoing	Instruct all members that updated IAASB-standards and -pronouncements are available in English with the effective dates.	Ongoing	ACB	Responsible Committees of NBA, ACB
2.	Ongoing	Include the translated current effective unmodified IAASB-standards and -pronouncements (ISAs, ISREs, ISAEs, ISRSs, ISQCs) and additional Dutch Standards as published in the Staatscourant (national gazette): 3000A, 3000D, 3810N (in process of being updated), 3850N, 4410N, 5500N, NVKS, in HRA and make those standards publicly available with guidance	Completed 2018 (HRA 2018), Ongoing, yearly	ACB	Responsible Committees of NBA, ACB

#	Start Date	Actions	Completion Date	Responsibility	Resource
		and tools on the NBA website and raise awareness among practitioners.			
3.	Ongoing	Instruct all members that new and/or updated standards, pronouncements and guidance are translated and are available on the NBA website and raise awareness among practitioners, including the effective dates.	Ongoing	ACB	Responsible Committees of NBA, ACB
4.	Ongoing	Ensure that all members active in assurance services follow the mandatory CPD courses. Based on new developments and QARP-experience NBA Board decided to require a mandatory CPD-course on Fraud Risk (for assurance providers) in 2017.	All post-mandatory courses completed, ongoing process	ACB NBA-CPD	Responsible Committees of NBA, ACB, , NBA-CPD
5.	Ongoing	Actively promote timely updates of Dutch audit regulations within NBA envisaging international regulations: IAASB, EU 8 <sup>th</sup> Directive requirements, EU Directive NFI, Director's Report, Code Corporate Governance, Calls for Action (ACE, IIRC, GRI, MG), national law and NBA regulations and related relevant best practices, also for ESG-assurance (specific consequences for ISA 720). Develop and provide related CPD (mandatory) courses.	Ongoing	ACB Head International Affairs	Responsible Committees of NBA, ACB, Head International Affairs
6.	Ongoing	Raise impact awareness for Dutch practice resulting from EDs and participation / observation of standard setting process in IAASB and from initiating new standards. Provide input for IAASB based on Dutch experience (2018: EER Project Advisory Panel)	Ongoing, EER PAP completed 2018	ACB	Responsible Committees of NBA, ACB
<b>Maintaining Ongoing Processes</b>					
7.	Ongoing	Continue to support ongoing convergence with the IAASB pronouncements. This includes providing comments on EDs, review of the existing requirements and preparation of the Action Plan for amendments where necessary.	Ongoing	ACB	Responsible Committees of NBA, ACB
<b>Review of NBA Compliance Information</b>					
8.	Ongoing	Perform periodic review of NBA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	completed March 2018, Ongoing	CEO of NBA, Head International Affairs	ACB, Head International Affairs



**Action Plan Subject:** SMO 4 and International Ethics Standards Board for Accountants Code of Ethics  
**Action Plan Objective:** Further improve and maintain processes to ensure ongoing convergence with IESBA pronouncements in Dutch professional practice

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p><u>Shared Responsibility:</u>            NBA ACB has by law (Wab) the authoritative responsibility for translation and implementation of International Ethics Standards Board for Accountants (IESBA) -pronouncements and for adoption and implementation of ethics and independence regulation resulting from EU 8<sup>th</sup> Directive and national law. The various ethical requirements for Dutch accountancy professionals are at least completely in line with IESBA-pronouncements and EU-Directives.</p> <p><u>New elements relevant in the Action Plan for SMO4 (since 2015):</u>            - Adoption and implementation of EU Directive 537/2014 for statutory audit services for PIE-audits (Wta/Bta) (2017)            - Adoption and implementation of adjustments in Dutch independence regulation related to EU-regulation (ViO) (2017)            - Adoption and implementation of audit firm rotation regulation (Wab/Wta) (completed 2016)            - Ongoing incorporation of PIE-audit firms' audit QC-requirements based on the NBA report "In the public interest" (2015) and MCA-evaluation (2017)            - Implementation of the requirement for (new and active) members to take the oath (completed 2017)            - Adoption and implementation of NOCLAR requirements (2018)            - Root cause analysis on audit quality, culture, partner- and business model, societal impact (Steering Group Audit Quality 2017/2018)            - Evaluation of VGBA/ViO (2018)</p>					
<i>Updating ethics regulations</i>					
1.	Ongoing	Perform best endeavors that that all pre-qualification education institutes comply with SMO 2 IES 4 requirements (and IESBA revised requirements) based on the latest version of the Dutch Code of Ethics, and additionally include Dutch and EU independence regulations, corporate governance regulations), anti-money-laundering and anti-terrorism funding regulations (Wwft), professional skepticism and audit quality focus.	Ongoing, relevant new elements in a timely way considering effective dates (see Background above)	ACB, CEA, PWA, education providers	Responsible Committees of NBA, CEA, PWA and education providers
2.	Ongoing	Perform best endeavors that review of compliance with Dutch ethics regulations (including documentation requirements) is included in Quality Assurance Review Program of NBA, AFM and accredited bodies (SRA, KOA, IIA) according to SMO 1. Develop and provide relevant and tailored CPD courses for members and review teams, based on findings and experiences in the QA processes.	Ongoing	ACB, RvT, NBA-CPD	Responsible Committees of NBA, ACB, NBA-CPD
3.	Ongoing	Instruct all members that the current effective standards, pronouncements and guidance are included in HRA and available on the NBA website and raise awareness among practitioners, including the effective dates: VGBA new Dutch Code of Ethics based on the current IESBA CoE) and related Independence regulation (based on current IESBA-regulation, EU-	2018 completed, NOCLAR in process, Ongoing	ACB	Responsible Committees of NBA, ACB, NBA-CPD

#	Start Date	Actions	Completion Date	Responsibility	Resource
		pronouncements and Dutch law: ViO, Wab). The due process towards finalization including public debate and council approval has been followed.			
4.	2015, 2017	Inform all members about new and/or expected standards, pronouncements and guidance on the NBA website and raise awareness among practitioners, including the effective dates: EU-Directive consequences for Wta/Bta/ViO (completed 2017), , the oath (completed 2017), current (2015) and additional (2017) QC-requirements from the report "In the public interest" and NOCLAR (2018)	Ongoing	ACB	Responsible Committees of NBA, ACB
5.	2015, Ongoing	Ensure that all members active in assurance services follow the mandatory CPD courses in collaboration with education providers in compliance with the requirements of SMO 2 and 3 and 4: "Zeg wat je ziet": "Communicate what you observe!" (2015/2016) and VGBA / related independence regulation and self-learning ability in compliance with the requirements of SMO 2 and 4 (2016)	Completed 2016, Ongoing	ACB, NBA-CPD	Responsible Committees of NBA, ACB, NBA-CPD
<i>Maintaining Ongoing Processes</i>					
6.	Ongoing	Continue to support ongoing convergence with the IESBA (revised) pronouncements. This includes providing comments on EDs, review of the existing requirements and preparation of the Action Plan for amendments where necessary.	Completed 2018, NOCLAR in process, Ongoing	ACB	Responsible Committees of NBA, ACB

**Action Plan Subject:** SMO 5 and International Public Sector Accounting Standards (IPSASs)  
**Action Plan Objective:** Further improve and maintain processes to ensure ongoing convergence with IPSASB pronouncements in Dutch professional practice

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<u>No responsibility</u> NBA is not responsible for accounting standards in the public sector. The best endeavor-principle is used to promote and support adoption and implementation of the International Public Sector Accounting Standards (IPSASs) in the Netherlands. Most public sector departments and NGO's use accrual accounting, except for the State's ministries.					
<i>Promote adoption of IPSASs</i>					
1.	Ongoing	Continue to encourage use of accrual accounting for Ministries that do not use accrual accounting yet and promote specifically use of IPSASs to encourage adoption and implementation IPSASs as the accrual accounting system by national and local public sector by policy dialogues with Parliament and Ministries. Promote compliance with cash-basis IPSASs by ministries as a stepping stone towards application of accrual IPSASs, e.g. issuance of consolidated financial statements.	Ongoing	Commission Public Sector NBA	Responsible Committees of NBA, Parliament, Public Sector institutes
2.					
3.	2010	Encourage use of accrual accounting according to IPSASs and inclusion in a Government Program by participation in the Working Group Public Sector performing policy dialogues with political party representatives in Parliament, Supreme Audit Institute, Central Statistics Bureau, Social-Economic Advisory Council, Ministries and by initiating and participating congresses, seminars in (inter)national field (ACE, CIGAR). For example: <a href="https://10times.com/cigar-conference">https://10times.com/cigar-conference</a>	Ongoing	Commission Public Sector NBA	Responsible Public Sector Committees of NBA, Parliament, Supreme Audit Institute, Central Statistics Bureau), Social-Economic Advisory Council, Ministries, ACE, CIGAR
4.	Ongoing	Promote / ensure that all active members working in or for public sector are informed on the current and newly issued IPSASs, including ED's, follow CPD courses or conferences on IPSASs according to the requirements of SMO 5.	Ongoing	Commission Public Sector NBA	Responsible Public Sector Committees of NBA, NBA-CPD

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	Continue to support ongoing convergence of public sector accounting with the IPSASs. This includes providing comments on EDs, review of the existing requirements and preparation of the Action Plan for amendments where necessary.	Ongoing	Commission Public Sector NBA	Responsible Committees of NBA
<i>Review of Royal NIVRA's Compliance Information</i>					

**Action Plan Subject:** SMO 6 and Investigation and Discipline  
**Action Plan Objective:** Further improve and maintain processes to converge the Dutch Professional Investigation and Discipline System with IFAC-requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p><u>Shared Responsibility:</u>            In the Netherlands investigation and discipline for the profession is organized by Ministry of Justice by the law for Right of Compliant and WTRA (discipline law) for both RA's and AA's. The Court in the city of Zwolle is responsible for the WTRA implementation. The right of appeal is organized by the College voor Beroep in bedrijfsleven (CBb -Appeal Court) in Amsterdam. Based on Wab anybody with an interest in a case, including NBA and AFM is able to file a complaint (1<sup>st</sup> stage Complaint Commission governed by NBA) or bring cases to the Legal Court in Zwolle. All the I&amp;D systems in the Dutch jurisdiction comply with the requirements of SMO6.</p> <p><u>New elements relevant in the Action Plan for SMO6 (since 2015):</u>            One of the new elements is a professional oath requirement. All 19,300 active members have taken the professional oath, court cases have been initiated and completed against those that refused tot take the oath (2017).</p>					
<i>Updating regulation</i>					
1.	Ongoing	Encourage SMO 6 compliance with Court Zwolle and College voor Beroep in bedrijfsleven (CBb), RvG (Raad voor Geschillen) and Klachtencommissie (commission for complaints) by performing relevant monitoring activities, policy dialogues and submitting comments on verdicts.	Ongoing	NBA CEO and Board, Court Zwolle, CBb	NBA CEO and Board, Court Zwolle, CBb, RvG, KC
2.	Ongoing	Initiate investigation and bring cases to Court based on incidents, periodical QARPs (SMO 1), substandard CPD exposure (SMO 2), and members (accountants in business) refusing to take the oath (2017), including members working for Tax Authority and Central Bank	Oath refusals completed (2017), Ongoing	NBA CEO and Board, Court Zwolle, CBb	NBA, CEO and Board, Tax Authority and Central Bank
3.	Ongoing	Ensure that all active and non-active members have available adequate instruction and CPD course on the current effective Regulation for Discipline and Complaints according to the requirements of SMO 6 and publish (anonymously) cases and verdicts in newsletters and on website.	Ongoing	NBA CEO and Board	Responsible Committees of NBA, NBA-CPD
4.	Ongoing	Investigate and consider consequences of new effective Standards, laws and regulation (including legislative amendments) with regard to the SMO 6 requirements in the Netherlands in collaboration with MoF, AFM and Court Zwolle.	Ongoing	NBA CEO and Board	Responsible Committees of NBA, Court Zwolle, AFM and MoF
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	Continue to support ongoing convergence of the Investigation and Discipline system with the requirements of SMO 6. This includes providing comments on EDs, review of the existing requirements and preparation of the Action Plan for amendments where necessary.	Ongoing	NBA CEO and Board	Responsible Committees of NBA, Court Zwolle and MoF

**Main Requirements of SMO 6**

Requirements	Y	N	Partially	Comments
<b>Scope of the system</b>				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	<b>X</b>			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	<b>X</b>			
<b>Initiation of Proceedings</b>				
3. Both a “complaints-based” and an “information-based” approach are adopted.	<b>X</b>			
4. Link with the results of QA reviews has been established.	<b>X</b>			
<b>Investigative process</b>				
5. A committee or similar body exists for performing investigations.	<b>X</b>			
6. Members of a committee are independent of the subject of the investigation and other related parties.	<b>X</b>			
<b>Disciplinary process</b>				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	<b>X</b>			
8. Members of the committee/entity include professional accountants as well as non-accountants.	<b>X</b>			
9. The tribunal exhibits independence of the subject of the investigation and other related	<b>X</b>			

Requirements	Y	N	Partially	Comments
parties.				
<b>Sanctions</b> 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	<b>X</b>			
<b>Rights of representation and appeal</b> 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	<b>X</b>			
<b>Administrative Processes</b> 12. Timeframe targets for disposal of all cases are set.	<b>X</b>			
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	<b>X</b>			
14. Records of investigations and disciplinary processes are established.	<b>X</b>			
<b>Public Interest Considerations</b> 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	<b>X</b>			
16. A process for the independent review of complaints on which there was no follow-up is established.	<b>X</b>			

Requirements	Y	N	Partially	Comments
17. The results of the investigative and disciplinary proceedings are made available to the public.	<b>X</b>			
<b>Liaison with Outside Bodies</b> 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	<b>X</b>			
<b>Regular review of implementation and effectiveness</b> 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	<b>X</b>			



**Action Plan Subject:** SMO 7 and International Financial Reporting Standards  
**Action Plan Objective:** Further improve and maintain processes to ensure ongoing convergence with IASB pronouncements in Dutch professional practice

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<u>No responsibility</u> NBA is not responsible for accounting and reporting standards in the private sector. The best endeavor-principle is used to promote adoption and implementation of International Financial Reporting Standards (IFRSs) in the Netherlands. Based on Burgerlijk Wetboek 2, Titel 9 (law) IFRSs are required for listed companies and PIEs; other organizations are required to use either DAS or IFRSs; micro's are allowed to use Dutch tax standards. Recommendation for DAS guidance is provided by RJ. All reporting requirements comply with EU-requirements.  NBA participates (through CJ) in RJ for update, design, adoption and implementation of DAS (non-listed companies/non-PIEs), based on national/EU legislation and for legislative initiatives in the field of Integrated Reporting.					
<i>Promote improved implementation of IFRSs</i>					
1.	Ongoing	Continue to encourage use of IFRSs by public interest entities and use best endeavors to encourage improved implementation in collaboration with AFM and CEA (for IPD). AFM releases yearly activity reports on reviews on FS with recommendations. NBA participates (through CJ) in initiating actions for improvement (publications) of DAS in collaboration with RJ and includes new developments in CPD-program	Ongoing	NBA CJ, RJ, AFM	Responsible Committees of NBA, RJ, AFM
2.	Ongoing	Provide comments on EC consultations paper on the revision EU Directives in relation to the applicability of IFRSs and IFRSs for SME, in collaboration with CJ/RJ/ACE.	Ongoing	NBA CJ, RJ, AFM	Responsible Committees of NBA, RJ, AFM, CJ/RJ, ACE, MoF
3.	Ongoing	Raise impact awareness for Dutch practice resulting from EDs and Interpretations and participation / observation of standard setting process in IASB, EC-Committees, EFRAG, ACE, RJ, including exemptions for SMEs and the possibility for micro's to choose for Dutch tax standards.	Ongoing	NBA CJ, RJ, AFM	Responsible Committees of Royal NBA, EFRAG, ACE, RJ
4.	Ongoing	Ensure that all active members working in or for public interest entities sector are informed on the current and newly issued IFRSs (newsletters/website), including ED's, follow relevant (mandatory) CPD courses on (revised) IFRSs according to the requirements of SMO 7.	Ongoing	NBA CJ	Responsible Committees of NBA, NBA-CPD
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	Continue to support ongoing convergence of public interest entities'	Ongoing	NBA CEO and	Responsible

#	Start Date	Actions	Completion Date	Responsibility	Resource
		accounting with the IFRSs. This includes providing comments on EDs, review of the existing requirements and preparation of the Action Plan for amendments where necessary.		Board	Committees of NBA
<i>Review of Royal NBAs Compliance Information</i>					
6.	Ongoing	Perform periodic review of NBA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	completed March 2018, Ongoing	CEO of NBA, Head International Affairs	Responsible Committees of NBA, Head International Affairs

Date 28 May 2019

Mr. Marco J. van der Vegte

Chairman of the Board

Royal NBA

Antonio Vivaldistraat 2 – 1083 HP Amsterdam

Email [voorzitter@nba.nl](mailto:voorzitter@nba.nl)

Dear Ms. Prinsloo,

**Subject: Letter to Confirm Institutional Support for the SMO Action Plan**

This letter is to confirm that the leadership of the Royal NBA has reviewed the information contained in the SMO Action Plan prepared by Royal NBA as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the Royal NBA, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,



Mr. Marco J. van der Vegte RA,  
Chairman of the Board

Royal NBA, Amsterdam, 28 May 2019

