

BACKGROUND NOTE ON ACTION PLANS

The SMO Action Plan is intended to provide a summary of:

1. The legal and regulatory environment for the profession;
2. The status of adoption of international standards and best practices in the jurisdiction; and
3. The actions undertaken by IFAC Members and Associates to support adoption and implementation of international standards and best practices and fulfill the membership requirements.

IFAC [Statements of Membership Obligations](#) (SMOs) require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards (IAASB, IESBA, IPSASB), and the IES, 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. The SMOs are recognized as the international benchmarks for credible and high-quality PAOs that are focused on and have the necessary expertise to serve the public interest and meet the market demands of their respective jurisdictions.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where, if any, improvements are needed. Members and Associates should develop an 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. Action Plans are designed to be ever-green documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment* – page 2), an Action Plan may not be necessary for each SMO section and instead the '*Attestation of Ongoing SMO Compliance*' is used to confirm their ongoing commitments. However, PAOs may wish and are welcome to utilize the Action Plan as a tool to demonstrate how they are using 'best endeavors' and going beyond their mandate with innovative approaches to fulfilling the SMOs and strengthening the national profession.

The specific details of each organization's actions will vary even where two PAOs are involved in the same SMO area. Each PAO operates in its own unique regulatory and standard-setting framework and has different operating, technical, and resource capacities. Moreover, in deciding when and how a particular SMO requirement is to be addressed, PAOs might have differing timeframes and objectives to achieve. Notwithstanding these inevitable differences, seeking the advice and assistance of other PAOs who have already faced and dealt with similar challenges can save significant time and resources. IFAC staff will offer assistance as needed.

Use of Information

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















¹ *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 affect 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.

² *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.

The regular updates of the SMO Action Plans are required as part of the [IFAC Member Compliance Program](#). The SMO Action Plans are also essential to IFAC's [reporting on the global status of international standards](#). The SMO Action Plans are a key source of information that IFAC utilizes as part of its process and methodology for [assessing the status of adoption of international standards in each member jurisdiction](#) in collaboration with the international independent standard-setting boards. IFAC also assesses the adoption, implementation support, and other best practices (also known as SMO Fulfillment) for [each IFAC member organization](#) utilizing information contained in the SMO Action Plans along with a plethora of third-party sources. This information is summarized in Dashboard Reports (DBRs) which are updated by IFAC alongside each SMO Action Plan submission. Therefore, it is important that the SMO Action Plan contains the most up-to-date, relevant information and actions related to the SMOs.

IFAC Member: Netherlands Association of Registered Controllers [Vereniging van Registercontrollers] (VRC)
Last Updated: November 2023

IFAC's Summary Assessment: IFAC staff will complete this section at the conclusion of each SMO Action Plan review and update process. For more information on [IFAC Member Compliance Program](#) and the legends used to describe the status of adoption of international standards and fulfillment of SMO requirements, please refer to the Status of Adoption [methodology](#) and SMO Fulfillment [methodology](#).

FOR IFAC COMPLETION	VRC's Responsibility for Adoption of Standards	Adoption Status as of 2023	Level of SMO Fulfillment as of 2023
QA / SMO 1	No Direct	 Adopted	 Sustain
IES / SMO 2	Shared	 Adopted	 Sustain
ISA / SMO 3	No Direct	 Partially Adopted	 Sustain
IESBA / SMO 4	Shared	 Partially Adopted	 Sustain
IPSAS / SMO 5	No Direct	 Not Adopted	 Sustain
I&D / SMO 6	Shared	 Adopted	 Sustain
IFRS / SMO 7	No Direct	 Adopted	 Sustain

Attestation of SMO Compliance

The **Vereniging van Registercontrollers (VRC)** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs. The abovementioned *Governing Body* has reviewed the information contained within the SMO Action Plan and affirms that the **Vereniging van Registercontrollers (VRC)** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations where IFAC's assessments are at Review & Improve and/or Sustain.

On behalf of the **Vereniging van Registercontrollers (VRC)**, the Governing Body endorses the information contained within the SMO Action Plan as of the publication date and its publication 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.

Glossary

AB	Appeals Board
AIB	Accountants in Business
AFM	Netherlands Authority for the Financial Markets
CAP	Compliance Advisory Board
CEA	Center for Economic Analysis
CC	Confidential Counsellor
CFO	Chief Financial Officer
CPD	Continuing Professional Development
Code	Code of Ethics
DB	Disciplinary Board
EB	Executive Board
EC	European Credit
ED	Exposure Draft
E&E	Ethics and Enforcement Committee
EMFC	Executive Master of Finance and Control
FA	Finance Academy
FEE	Federation Experts-comptables Européens
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IAS	International Accounting Standards
I&D	Investigations & Disciplinary
IGC	International Group of Controlling
IES	International Education Standard
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPD	Initial Professional Development
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ISQM	International Standard on Quality Management
LSE	London School of Economics
MCA	the Journal on Management Control and Accounting
MSc	Master of Science
NBA	Netherlands Institute of Registered Accountants [Nederlandse Beroepsorganisatie van Accountants]
NVAO	Accreditation Organisation of the Netherlands and Flanders [Nederlands Vlaamse Accreditatie Organisatie]
PAO	Professional Accountancy Organizations
PAPP	Professional Accountant in Public Practice
PIE	Public Interest Entity

QA	Quality Assurance
QAC	Quality Assurance Committee
RC	Registered Controller [Registercontroller] (the Dutch equivalent of management accountant)
SMO	Statement of Membership Obligations
VMK	Vrij-Mi-Knows
VRC	Netherlands Association of Registered Controllers [Vereniging van Registercontrollers]
Wta	Audit Firms Supervision Act (Wet op de accountantsorganisaties)

General Background

The VRC as a Professional Registered Controllers Organization

The Vereniging van Register Controllers (VRC) is an esteemed association that has been at the forefront of empowering financial professionals and fostering excellence in the field of controlling since its establishment in 1988. The VRC has survived several bifurcations and has grown to a prestigious organization boasting a membership of over 5000 dedicated and accomplished individuals.

In 1988, against the backdrop of a dynamic and evolving financial landscape, the VRC was founded with the goal of bringing together Register Controllers (RC's) – highly skilled financial experts with a passion for driving sustainable business practices and ensuring financial integrity. Since its inception, the VRC has remained steadfast in its commitment to elevating the profession of controlling and equipping its members with the knowledge, skills, and resources necessary to excel in their roles as financial leaders.

Membership

To become a fully integrated member of the VRC, members are mandatory to follow the EMFC program at our partner universities in the Netherlands. There is an opportunity to become an aspirant member if the member is following the EMFC program. Members are able to work within the PIE's and non-PIE's.

Mission

The VRC unites to enhance the economic and societal value of the RC title in finance and beyond. It brings together graduates and students of the EMFC program, advocating for their interests and promoting responsible professional practices. The association invests in the continuous development of register controllers and seeks greater recognition for their distinctive value by promoting the EMFC and RC titles nationally and internationally.

Vision

The VRC strengthens the position of Register Controllers by promoting the economic and societal value of the RC title. It emphasizes the distinctive expertise of register controllers and positions the RC title as a powerful brand representing positive financial impact and societal progress through strategic finance. The VRC inspires register controllers to lead in organizations, fostering sustainable practices, innovation, and organizational development. Serving as an expert center in strategic finance profit for-profit and non-profit organizations, the VRC actively contributes to recognizing the RC title as a standard for professional excellence and positive economic and societal impact.

Other Initiatives

By providing courses, training, and webinars by financial professionals, experts, and professors our members staying up to date with the global trends. In this way, VRC members are, via an indirect way, following the fulfillments of the IFACSMOs (if they are following the designated courses, training, and webinars).

Action plan subject: SMO 1 – Quality Assurance
Action plan objective: Maintaining and raising the professional standards of the VRC's members

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background: Regulation and standard-setting</p> <p>The Netherlands Authority for the Financial Markets (AFM) is responsible for quality assurance (QA) in the case of statutory audits of financial statements. The VRC holds no direct responsibility for financial statutory audits.</p> <p>Quality assurance and the position of AFM are regulated by the Audit Firm Supervision Act (Wet toezicht accountantsorganisaties, Wta). This Act introduces public oversight by the AFM on audit entities that provide audit reports that are relevant to the Dutch capital markets. The VRC is responsible for QA in relation to all other assignments.</p> <p><i>The VRC has a QA review system, because it is part of the AFM. Despite, this VRC has a legal responsibility for conducting QA reviews with different committees. We have several QA committees:</i></p> <ol style="list-style-type: none"> 1) <i>Advisory Board (Raad van Advies)</i> 2) <i>Ethics Committee (Commissie Ethiek)</i> 3) <i>Commissie Kwaliteitsborging</i> 4) <i>Internationalization Committee (Commissie Internationalisatie)</i> 5) <i>Thesis-award Committee (Commissie scriptieprijs)</i> 6) <i>Board of Discipline (Raad van Tucht)</i> 7) <i>Board of Appeal (Raad van Beroep)</i> 8) <i>Quality Assurance Committee (QAC)</i> <p>The VRC has plans to support its members who are impacted by the adoption and implementation of the quality management standards (QMS) on our own.</p> <p>Because the VRC is a management accounting institute, its members do not audit final statements, and the VRC focuses activities on maintaining and improving the professional skills of its members by requiring them to comply with VRC's requirement for continuing professional development and to comply with the mandatory VRC Code of Ethics (Article 13 of the statute). The VRC supports their members which are affected by changes in any (inter)national law regulation. The VRC supports their members who may be impacted by the adoption and implementation of new quality management standards.</p> <p>VRC will do all in its power to promote and enforce its requirements by offering CPD courses to its members and by informing them about the courses that are available. VRC provides CPD –courses and the Code of Ethics (Article 13 of the VRC Statutes). CPD is mandatory (see SMO 2). A course on the Code of Conduct is incorporated into the curriculum of IPD. Professional ethics is a mandatory activity of CPD.</p> <p>Translation</p> <p>Translations of ISQM1, ISA 220, and other international standards are only made when members need help.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
Actions					
1.	2023	Describe planned meetings or dialogues with key stakeholders to raise awareness of lessons learned from the experiences of other countries and the importance of establishing a QA review system;		VRC EB VRC Staff	VRC EB VRC Staff
2.	Ongoing	Continuing professional development. SMO 2 provides more information about this matter.	Ongoing	See SMO 2	See SMO 2
3.	Ongoing	Code of Ethics – all VRC members are required to comply with it. SMO 4 provides more information about this matter.	Ongoing	See SMO 4	See SMO 4
4.	Ongoing	Provide access to relevant content, for instance, through the <i>CM journal</i> , accountant magazine, relevant CPD courses, newsletter, and VRC voices magazine.	Ongoing	VRC EB VRC Staff	VRC EB VRC Staff
5.	2023	Provide access to relevant content on IFAC website by means of IFAC Global Knowledge Gateway logo on VRC website	Done, August 2023	VRC EB VRC Staff	VRC Staff IFAC
6.	2023	Development and implementation of a dedicated page on the VRC-website on VRC's international relations and information of independent standards-setting boards to keep members up to date. (https://www.vrc.nl/partners/)	Done, August 2023	VRC EB VRC Staff	VRC Staff
7.	2018	Explore (inter)national strategic partnerships with peer institutes (IMA, CIMA, LSE, Harvard and, Open Universiteit) in order to cooperate and to enhance the value added for VRC-members.	Ongoing	VRC EB VRC FA	VRC EB VRC FA QAC
8.	Ongoing	Update members of regulation of the AFM	Ongoing	VRC EB	AFM (https://www.afm.nl/nl-sector) VRC Staff

Action plan subject: SMO 2 – International Education Standards for Professional Accountants and other pronouncements
Action plan objective: Continue best endeavours to ensure that IES requirements are incorporated into VRC CPD standards and EMFC programmes of study.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>The VRC aims to improve the professional competence and development of its members. The VRC encourages the exchange of professional knowledge and skills to the benefit of both its members and the accredited universities. To do this the VRC maintains close contact with the academic community, exchanges information in the field of theory and practice, and maintains contact with those organizations and institutions with which it shares professional interests.</p> <p>The EMFC universities are key to our member inflow, which is why we have a symbiotic relationship with them and our members. An important condition for guaranteeing the quality and relevance of future RC's is strengthening the professional connection to the EMFC Master course. The VRC plays a key role in the arrangement of professional visitations between us and the partner universities. This visitation is complemented by academic visitations of the NVAO. Visitations follow the established assessment framework which includes include several key standards and sub-standards.</p> <p>The VRC complies with SMO 2 as far as SMO 2 is applicable for management accountants and considering the shared responsibility with EMFC programme providers. VRC performs its best endeavours to ensure that International Education Standards requirements are incorporated in the EMFC-programme. The VRC is complying with all IES from the latest updated version of the IES from IFAC website.</p> <p>IES 1 – Entry requirements to Professional (Management) Accounting Education Programs To become a member of the VRC an individual has to complete a professional financial programme of the EMFC study.: the EMFC (Executive Master of Finance and Control). Entry requirements for the EMFC qualification are a MSc in Accounting and Control and two years of relevant experience as a financial professional. These prerequisite qualifications are assessed by the relevant EMFC-universities . Moreover, relevant information is publicly available on our website and the website of our EMFC-universities to determine the individuals change of successfully accomplish a professional (accounting) education program. The quality of the EMFC courses is guaranteed with the aid of periodic reviews and accreditation by the NVAO (Accreditation Organisation of the Netherlands and Flanders), an independent institution responsible for ensuring the quality of education in the Netherlands and Flanders (Belgium).</p> <p>IES 2 – Initial Professional Development – Technical Competence The following courses are taught as part of the EMFC programme of study:</p> <p>Year 1 Finance Leadership: Leadership Programme, Strategic Management, Financial Decision-making, Operational Excellence in Supply Chain Management, Digital transformation Data & Process: Information, Internal Control & Technology, Data Analytics: Machine Learning, Advanced Data Science, Hackathon, Financial Analysis & Valuation</p> <p>Year 2 Business Improvement & Compliance:</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>The executive Process, Managerial Corporate Finance, Performance Management, Risk & Governance, Tax & Legal Topical for Controllers, Financial Accounting: Financial Reporting Standards, Treasury Management Business Models & Value Creation: Strategic Cost and Value Management, Financial Analysis & Valuation, Theory & Empirical Analysis in Management Accounting, Strategic Finance, Thesis.</p> <p>The VRC has a duty to ensure that the content of these courses is relevant and that their weighting is appropriate, and to secure a uniform weighting for these subjects. The EMFC is an MSc awarded by seven Dutch universities. It represents no less than 60 European Credits (ECs). As an EC represents 28 hours of study, the EMFC programme covers at least 1,680 study hours. On request we can send our training programme for CPD.</p> <p>IES 3 – Initial Professional Development – Professional Skills Professional skills are part of general education and the professional accountancy education programme entry requirements. They include intellectual, personal, interpersonal, communication, organisational and business management skills. All are covered by a requirement of two years of practical experience in the financial field, a MSc in any program possible , and by the EMFC-programme.</p> <p>IES 4 – Initial Professional Development – Professional values, ethics and attitudes Professional values, ethics principles, professional scepticism and judgment, and commitment to the public interest are part of the EMFC programme and an important component of the CPD courses offered by VRC.</p> <p>IES 5 – Initial Professional Development – Practical experience requirement Practical experience is one of the entry requirements for participation in the EMFC programme. Such practical experience includes at least two years of relevant experience as a financial professional.</p> <p>IES 6 – Initial Professional Development – Assessment of professional capabilities and competence Those universities providing the EMFC programme are responsible for initial aspirant professional development.</p> <p>IES 7 – Continuing Professional Development As of 2018 the VRC's CPD standards require members to develop and maintain competencies through CPD. Article 6.4 of the VRC constitution (Members' Rights and Duties), and more specifically the VRC's CPD scheme for registered controllers (the Dutch equivalent of management accountants). CPD standards are in line with the International Education Standards (IES's) and are monitored by the Enforcement and Ethics Committee (E&E Comm.).</p> <p>Those members who hold the title of RC are required to complete a minimum of 120 hours of relevant continuous professional development over a period of three years or 40 hours per year, and to register their activities using the CPD recordkeeping system provided on the VRC's website (https://www.vrc.nl/de-rc/). CPD content must be relevant to management accounting, control and financial management and has to be a mix of professional competencies and personal development. Mandatory CPD activity 'Professional Ethics': a RC is required to complete a minimum of 3 CPD credits/hours on the subject of Professional Ethics as part of the 40 CPD credits/hours per annum.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>The activities organized by the VRC are part of a broader selection of activities to which the VRC's members have access and include numerous professional courses, seminars and meetings on financial management and management accounting, for example:</p> <ul style="list-style-type: none"> • training and development programmes offered by VRC Finance Academy (https://financeacademy.vrc.nl/cursussen/), which includes e-learnings, online & offline courses. For all the subjects and forms of education see https://www.vrc.nl/various events, such as the CFO Cycle (five times a year), a mid-summer conference, boardroom meetings on location and annual code challenge meetings, general member meetings (ALV-algemene leden vergadering (ALV)) twice a year • the VRC Voices magazine) for controllers, financial executives, accountants. <p>IES 8 – Professional Competence for Engagement Partners Responsible for Audits of Financial Statements IES 8 is not applicable, because audits do not constitute part of VRC's focus. In the Netherlands they are part of NBA's responsibility.</p> <p>Translation IES The VRC is corresponding with the new IES 2,3,4 of 2021 and the new IES 7 of 2022. Nevertheless, translations of IES's are only made when members are in need of help.</p> <p>Internationalization By reacting on Exposure Drafts, VRC takes part in the process of international standard setting. VRC has consultations with the Chartered Institute of Management Accountants (CIMA) and with the Institute of Management Accountants (IMA) on educational matters. VRC is analysing further international cooperation with Accountancy Europe and the International Group of Controlling ICG. As of 2016, VRC is member of ICG. Furthermore, the cooperation between the VRC and several international economic schools e.g., London School of Economics.</p>					
IES requirements: Standards and monitoring					
9.	Ongoing	IES 7: Continue to promote CPD requirements and lifelong learning for all members with the aid of events, a website, email, newsletters, VRC voices, brochures, and through personal contact with VRC staff.	Ongoing	VRC EB VRC Staff VRC FA	VRC EB VRC E&E Comm. VRC Educational Programme Council
10.	Ongoing	IES 7: The VRC monitors its members' compliance with CPD standards. CPD is mandatory for all members. Sanctions for non-compliance are imposed by the Executive Board after consulting the E&E Comm. and include official warnings and ultimately the exclusion of membership.	Ongoing	VRC EB	VRC EB
11.	Ongoing	IES 1: Best endeavours to ensure that the entry-requirement level (admission into a recognised university degree programme) is maintained by having annual policy and review dialogues with those universities providing the EMFC programme.	Ongoing	VRC EB QAC	VRC EB QAC

#	Start Date	Actions	Completion Date	Responsibility	Resource
12.	2023	IES 1: Facilitation of periodic review (2023) and of new accreditation round (2024-2025)	2025	VRC EB QAC	VRC EB QAC
13.	Ongoing	IES 2: Detect developments in the professional financial environment and channel them into those universities providing the EMFC programme. This may be done by means of interviews, seminars, visitations, reports, etc.	Ongoing	VRC EB QAC	VRC EB QAC
14.	Ongoing	IES 2: Maintain the quality of the thesis. One way to do this is the annual thesis awards event.	Ongoing	VRC EB QAC	VRC EB QAC Thesis Price Committee
15.	2015	IES2: Maintain the quality of the thesis by fine tuning specific evaluation standards.	Ongoing	VRC EB QAC	VRC EB QAC Thesis Price Committee
16.	Ongoing	IES 2,3,4,5 and 6: Policy dialogue on the relevance of these entry requirements.	Ongoing	VRC EB QAC	VRC EB QAC
17.	Ongoing	IES 7: Maintaining the quality of the content of the CPD courses through the VRC's Education Programme Council.	Ongoing	VRC EB	VRC EB VRC Educational Programme Council
Maintaining ongoing processes					
18.	Ongoing	IES 1-7: Continuous monitoring of the IFAC's IESs to ensure that the VRC's standards are compliant and up-to-date. Standards are reviewed annually.	Ongoing	VRC EB QAC VRC E&E Comm.	VRC EB QAC VRC E&E Comm.
19.	Ongoing	Every 2 years visitation with EMFC-courses	Ongoing	EMFC VRC	QAC
20.	Ongoing	Controlling if the EMFC programme are including ICT skills and professional scepticism	Ongoing	VRC EMFC	QAC
21.	Ongoing	Provide our university partners on our website with hyperlinks/pictures. (See https://www.vrc.nl/partners/)	Ongoing	VRC EB FA	FA

Action plan subject: SMO 3 - International standards and other pronouncements issued by the IAASB

Action plan objective: Best endeavours to promote IAASB standards and pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>The Dutch law incorporates the audit requirement, aligning it with EU audit thresholds and regulations. This law takes in consideration the ISA leading to the direct adoption of ISA by reference in the law. Key stakeholders in the Netherlands are diverse, which plays a role in the adoption process. The ISA provides a foundation, although minor adjustments and additions are necessary to align with the local legal and regulatory requirements.</p> <p>Auditing and assurance standards fall outside the VRC's general focus. Not all VRC members perform audits. Those VRC members who are also members of the NBA and perform audits are subject to the NBA's standards. Best endeavours are directed towards promoting IAASB (International Auditing and Assurance Standards Board) standards and pronouncements by offering educational courses and by keeping our members informed.</p> <p>The EMFC programme deals with management accounting and auditing aspects. VRC informs its members by an IFAC-logo on the VRC-website, and by offering VRC-members relevant CPD-courses (see: https://financeacademy.vrc.nl/cursussen/)</p>					
Translation					
Translations of ISA and IAASB are only made when members are in need of help.					
Promoting activities					
22.	Ongoing	Offer VRC members continuing professional development courses dealing with auditing aspects.	Ongoing	VRC EB VRC Technical Staff VRC FA	VRC EB, VRC Technical Staff NBA-VRC Education Programme Council VRC Markcom
23.	Ongoing	Provide access to IAASB standards and other pronouncements by offering relevant CPD courses; for instance, see the article in MCA 2015, nr. 5, page 9.	Ongoing	VRC EB VRC Technical Staff	VRC Technical Staff VRC Education Programme Council
24.	2023	Provide access to IAASB standards and other pronouncements through the IFAC website (for instance, the IFAC Global Knowledge Gateway).	December 2023	VRC EB VRC Technical Staff	VRC Technical Staff
25.	2023	Development and implementation of a dedicated page on the VRC-website on VRC's international relations and information of independent standards setting boards (see action point 5).	December 2023	VRC EB VRC Technical Staff	VRC Technical Staff

Action Plan Subject: SMO 4 - IESBA Code of Ethics for Professional Accountants

Action Plan Objective: To incorporate the IESBA Code into the VRC Code where appropriate and communicate to all members

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>The IESBA Code of Ethics (SMO 4) was adopted and incorporated into the VRC's Code of Ethics (the Code) in 2009. VRC fully complies with SMO 4. The latest version of the VRC Code has been in effect since 1 January 2019. In May 2023 the Code has been reviewed and adjusted. This will be effected for VRC members from the first of January 2024.</p> <p>In 2011 the Ethics and Enforcement Committee (E&E Comm.) was appointed to help the Executive Board (EB) enforce and promote the Code of Ethics. In accordance with the Article 6(3) of the VRC's constitution, RC members have a duty to behave in accordance with the Code. The Code is based on those sections of Parts A and C of the IESBA Code that are relevant to professional accountants in business.</p> <p>In August 2023, the Code is based on part 1 – complying with the Code, Fundamental Principles and Conceptual Framework, part 2 – Professional Accountants in Business, Part 4B – Independence for Assurance Engagements Other than Audit and Review Engagements.</p> <p>The VRC's Enforcement and Ethics Committee monitors the IESBA's operational programme on an ongoing basis to ensure the continuing relevance of the VRC Code and its compliance with international best practices. The VRC's general assembly approved the latest amendments of the Code in May 2023 and the new Code has been in effect since 1 January 2024. The VRC monitors, analyses, notes and comments the revisions of the IESBA Code of Ethics on a continuous basis. Furthermore, the VRC adopts and implements these revisions every five years by reviewing and updating the VRC Code.</p> <p>The Code is a part of continuing professional development (CPD)</p> <p>The VRC's CPD procedures instruct members to periodically update their ethical knowledge and skills to stimulate continuous ethical professional development through dedicated courses on ethics. All RC members have undergone mandatory training to understand the fundamental principles of the Code and to conduct themselves accordingly. Their training has been organised by those universities which have incorporated the Code into their EMFC curriculum and have organised the mandatory CPD course, VRC Code for those members who have not received such training as part of the EMFC curriculum.</p> <p>The VRC Finance Academy (FA) offers several relevant ethical training programmes.. The VRC periodically organises Code Challenge Meetings. During these events members meet as peers to discuss behavioural and ethical dilemmas as lessons to be learned in the cases that are presented. A confidential counsellor advises members on how to resolve any significant behavioural (ethical) dilemmas.</p> <p>Difference in National Ethical requirements of International Code of Ethics for Professional Accountants (including International Independence Standards)</p> <p>International Code of Ethics for Professional Accountants (IESBA Code):</p> <p>The IESBA Code is issued by the International Ethics Standards Board for Accountants (IESBA) and provides a global framework for ethical conduct for professional accountants. It's designed to be applicable across jurisdictions while allowing some flexibility to accommodate local requirements. Key features of the IESBA Code include principles-based guidance, a conceptual framework for identifying threats and safeguards,</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>and detailed provisions on topics like independence, confidentiality, and objectivity. The IESBA-code applies globally and providing a consistent framework for accountants worldwide.</p> <p>VRC Code of Ethics: The VRC Code of Ethics is the ethical code specific to RC's in the Netherlands, developed by the VRC. This code outlines the ethical principles and standards that apply to the conduct of RC's in their professional roles. It is tailored to the Dutch context and the specific responsibilities and challenges faced by RC's. It focuses on ethical aspects particularly relevant to RC's, such as integrity in financial reporting and governance.</p> <p>Translation Translations of the International Code of Ethics for Professional Accountants (including International Independence Standards) are only made when members are in need of help.</p>					
<p>Adopting the IESBA Code of Ethics and promoting the Code amongst members and students</p>					
26.	Ongoing	The VRC Code of Ethics/Conduct (the Code) complies with the relevant IESBA criteria. The VRC monitors, analyses, notes and comments the revisions of the IESBA Code of Ethics/Conduct on a continuous basis. Furthermore, the VRC adopts and implements these revisions every five years by reviewing and updating the VRC Code. The VRC Code has been reviewed in May 2023 and will apply to all members from 1 January 2024	Ongoing	VRC EB VRC E&E Comm.	VRC EB VRC Technical Staff VRC E&E Comm.
27.	Ongoing	Implement and promote the Code with the aid of: <ul style="list-style-type: none"> • online versions in Dutch and English on their personal member-portal • “credit cards” setting out the five basic principles of the Code in Dutch and English in a format small enough to fit in a wallet • publication of the Code on the VRC website and in our journal, <i>MCA</i> (management control and accounting), and other media • seminars such as the Code Challenge Meetings, and round tables, seminars during which peers interact with each other, and discuss and review cases involving real ethical dilemmas. • Events such as VMK's, executive courses, general member meetings. 	Ongoing	As above	VRC EB VRC Staff VRC E&E Comm.
28.	Ongoing	Ensure best endeavours on the part of pre-qualification educational suppliers to comply with SMO 2, IES 4	Ongoing	As above	VRC EB VRC Staff VRC E&E Comm.

#	Start Date	Actions	Completion Date	Responsibility	Resource
		requirements (and IESBA revised pronouncements) based on the latest version of the VRC Code.			QAC
29.	Ongoing	Continue to encourage the development of CPD activities involving the VRC Code and ethical behaviour. For example, ethical courses, ethical VMK's, which provides CPD. Besides, mandatory PE-ethics point (see SMO 2, IES 7)	Ongoing	As above	VRC EB VRC Technical Staff VRC E&E Comm. Education providers VRC Education Programme Council
30.	Ongoing	Continue to help members to act in compliance with the Code with the aid of advice provided by the VRC confidential counsellor (CC) and to resolve any significant behavioural (ethical) dilemmas. Continue to publish ethical cases and answers on the VRC website (www.vrc.nl).	Ongoing	As above	VRC EB VRC Technical Staff VRC E&E Comm. VRC CC
31.	2017	Developing a new and dynamic online collection of mores prudence that replaces the addendum of the Code.	2023 Done	As above	VRC EB VRC Technical Staff VRC E&E Committee
32.	Ongoing	Publication of Exposure Drafts on the VRC website, and in the VRC Newsletter.	Ongoing	As above	VRC EB VRC Technical Staff VRC E&E Committee
Maintaining ongoing processes					
33.	Ongoing	Continue to support ongoing compliance with the IESBA Code of Ethics and IESBA pronouncements. This includes a review of the existing requirements and preparation of an action plan for amendments where necessary.	Ongoing	As above	VRC EB VRC Technical Staff VRC E&E Comm. VRC Education Programme Council VRC Event Committee, QAC
34.	Ongoing	Revised the Handbook of VRC Code of Ethics regarding the IESBA code of Ethics	Ongoing	As above	

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards and other pronouncements issued by the IPSASB
Action Plan Objective: Best endeavours to ensure ongoing compliance with IPSASB pronouncements in Dutch professional practice

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>In the Netherlands the VRC is not responsible for accounting standards in the public sector. Most public sector departments use accrual accounting with the exception of government ministries. Within the Dutch political context there are no grounds at present for introducing public sector accounting standards on an accrual base.</p> <p>In the Netherlands, public sector accounting standards are established by the Dutch Accounting Standards Board (DASB) and the Governmental Accounting Standards Board (GASB). These standards are based on the European Public Sector Accounting Standards (EPSAS) and require public sector entities to follow accrual-based accounting principles.</p> <p>At various levels of government/federal, provincial, and municipal/public sector entities are obligated to adhere to the Dutch Chart of Accounts for the Public Sector, ensuring consistent and transparent financial reporting. While there are common accounting principles, there may be specific variations in treatment and disclosure requirements based on the nature of the entity.</p> <p>This action plan deals with the VRC's efforts to introduce generally accepted accounting techniques into the profit sector, such as performance management and finance professionalism as best practice, and IPSAS ideas into the not-for profit sector. The Dutch government is responsible for accounting standards in the public sector.</p> <p>The VRC provides for their members whom works in the public sector and their CPD the course: "Ethics and Moral Compass for Controllers in the Public Sector" (See website for more information: https://financeacademy.vrc.nl/cursus/ethiek-en-moreel-kompas-voor-controllers-in-de-publieke-sector/)</p> <p>Translation</p> <p>Translations of the IPSAS are only made when members are in need of help.</p>					
Promote the adoption of IPSASs					
35.	Ongoing	Keeping our Finance Academy courses up to date with IPSAS revisions.	Ongoing	VRC EB	IFAC
36.	Ongoing	Promote continuing professional development courses dealing with public sector issues for all members. Courses from FA as Ethiek, AI en Data in de organisatie.	Ongoing	VRC EB	VRC EB VRC Staff
37.	Planned	Boardroom meetings – in the sustainable and public sectors – in which public accounting issues are addressed.		VRC EB	VRC EB VRC Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
38.	1,2,3,4,6: Ongoing 2. 5. 2023 6.	1. Participation in the VRC's public sector working group, in order to initiate seminars and in order to monitor developments in public sector accounting. 2. Interviews with public sector accountants in order to monitor developments and issues in public sector accounting 3. Publication of interviews with public sector accountants on the VRC website at www.vrc.nl. 4. Specific articles on public sector accounting themes in the journal, <i>MCA</i> . 5. Provide access to International Public Sector Accounting Standards (IPSAS) and guidelines through the IFAC website. 6. Provide comments on ED's.(exposure drafts) 7. Issuing a RC top-20 for sustainability RC's.	Ongoing 5.2024 6.Ongoing 7. 2023	VRC EB VRC Staff	VRC EB VRC Staff Public Sector Working Group
Maintaining ongoing processes					
35.	2015	Following IPSASB's Exposure Drafts, VRC is continuing to update its processes and standards.	Ongoing	VRC EB VRC Staff	VRC EB VRC Staff
36.	Ongoing	Comment on IPSASB discussion documents/ exposure drafts issued by the DASB within the timeframes set by the DASB and participate in the roundtable discussions held to formulate a Dutch response to the IPSAS documents.	Ongoing	VRC EB	VRC EB

Action Plan Subject: SMO 6 - Investigation and Discipline

Action Plan Objective: Use best endeavours to assist with the implementation of SMO 6 where appropriate.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>In the Netherlands the Ministry of Justice and the Netherlands Authority for the Financial Markets (AFM) are responsible for investigations and discipline in relation to unlawful misconduct in the financial sector. The VRC has no national legal responsibility or power (no mandate) to legally investigate or discipline its members.</p> <p>The VRC does however have the power to investigate and discipline its members (not companies) for misconduct (failure to exercise and maintain professional standards) in accordance with its constitution, Code of Ethics (the Code) and Disciplinary and Appeals Boards Regulations. The VRC power to investigate and discipline its members for misconduct is therefore based upon the VRC's regulations and not on national legislation neither international legislation.</p> <p>Article 15 of the VRC constitution sets out the rules applicable to the activities of the Disciplinary Board. VRC has very well-developed investigation and disciplinary procedures to meet the requirements stipulated in SMO 6. The relevant process is the responsibility of the Disciplinary Board, which represents a balance of professional legal and independent expertise. A detailed description of the VRC's investigation and discipline process, governing regulations and decisions is publicly available on the VRC website. (https://www.vrc.nl/over-vrc/)</p> <p>The VRC has several processes and institutions involved in investigation and discipline. The following institutions are involved.</p> <p>The Executive Board:</p> <ul style="list-style-type: none"> ensures that the RC members conduct themselves in accordance with the Code. The Disciplinary and Appeals Boards have been established to rule on such matters. The Executive Board, and any member or stakeholder may file a complaint. ensures that the RC members comply with the CPD regulations. The E&E Comm. advises the Executive Board on these issues. may rule against a member for failing to comply with the CPD regulations. <p>The Disciplinary Board receives, assesses and rules on complaints about misconduct on the part of RC members.</p> <p>The Appeals Board receives, assesses and rules on appeals against the rulings of the Disciplinary Board</p> <p>The Disciplinary and Appeals Boards represent a mix of professional expertise: a chairperson (Master of Laws), an RC member (management accountant) and a non-RC member (a university professor, accountant, attorney or ethical professional).</p> <p>The Enforcement and Ethics Committee advises the Executive Board on issues pertaining to policy, enforcement and implementation in relation to the Code of Ethics in accordance with the provisions of the regulations of the Enforcement and Ethics Committee. The recent activities of the E&E committee include the revision of the Code, the organisation of ethical seminars and round tables, the encouragement of best ethical practices, and the provision of advice to the Executive Board concerning the treatment of those members who fail to comply with CPD requirements.</p>					
<p>Investigation and discipline</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
37.	Ongoing	Encourage SMO 6 compliance on the part of the Executive Board (EB), Disciplinary (DB) and Appeals Boards (AB), and E&E Comm. by organizing periodic policy dialogues and by amending relevant regulations as required.	Ongoing	VRC EB VRC DB and AB VRC E&E Comm.	VRC EB VRC DB and AB VRC E&E Comm.
38.	Ongoing	Ensure that all members are in possession of the appropriate investigation and discipline regulations, and the Code, and publish cases and verdicts (in an anonymised form).	Ongoing	VRC EB VRC Staff VRC E&E Comm.	VRC EB VRC Staff VRC E&E Comm.
39.	Ongoing	VRC has an annual review of the performance of the disciplinary system as well as the continuing independence of the members of the Disciplinary Board.	Ongoing	VRC EB VRC Staff	VRC EB VRC Staff Disciplinary Board
Maintaining ongoing processes					
40.	Ongoing	Continue to support the ongoing compliance of the investigation and discipline systems with the requirements of SMO 6. This includes a review of the existing requirements and preparation of the action plan for amendments where necessary.	Ongoing	VRC EB VRC DB and AB VRC Technical Staff VRC E&E Comm.	VRC EB VRC Technical Staff VRC DB and AB VRC E&E Comm.

Main Requirements of SMO 6

Requirements	Yes	No	Partially	Additional Comments
Scope of the system				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	Yes			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.		No		
Initiation of Proceedings				
3. Both a “complaints-based” and an “information-based” approach are adopted.	Yes			

Requirements	Yes	No	Partially	Additional Comments
4. Link with the results of QA reviews has been established.	Yes			
Investigative process				
5. A committee or similar body exists for performing investigations.	Yes			
6. Members of a committee are independent of the subject of the investigation and other related parties.	Yes			
Disciplinary process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	Yes			
8. Members of the committee/entity include professional accountants as well as non-accountants.	Yes			
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	Yes			
Sanctions				
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.	Yes			

Requirements	Yes	No	Partially	Additional Comments
Rights of representation and appeal				
11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Yes			
Administrative Processes				
12. Timeframe targets for disposal of all cases are set.	Yes			
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Yes			
14. Records of investigations and disciplinary processes are established.	Yes			
Public Interest Considerations				
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	Yes			
16. A process for the independent review of complaints on which there was no follow-up is established.	Yes			
17. The results of the investigative and disciplinary proceedings are made available to the public.	Yes			
Liaison with Outside Bodies				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	Yes			

Requirements	Yes	No	Partially	Additional Comments
Regular review of implementation and effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	Yes			

Action Plan Subject: SMO 7 - International Financial Reporting Standards (IFRS)

Action Plan Objective: Best endeavours to promote IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>As a member state of the European Union, the Netherlands is subject to the International Accounting Standards (IAS) Regulation adopted by the European Union (EU). The EU IAS Regulation requires application of IFRS for the consolidated financial statements of European companies whose securities trade in a regulated market. The EU IAS Regulation gives member states the option to require or permit IFRS in separate company financial statements (statutory accounts) and/or in the financial statements of companies whose securities do not trade on a regulated securities market.</p> <p>The Dutch Accounting Standards Board (DASB) has developed two levels of standards for companies whose securities are not publicly traded: Small Entities, and Medium sized & Large Entities. The last must choose between (a) Dutch Accounting Standards (DAS) for medium-sized and large entities and (b) IFRS adopted by the EU combined with a part of the DAS for medium sized & Large Legal Entities. Listed entities have to use IFRS.</p> <p>The VRC is not responsible for accounting and reporting standards in the Netherlands. Best endeavours are directed towards encouraging the adoption of the IFRS in the Netherlands by promoting them amongst all of our members. Financial reporting represents an important part of our members' job. Initiatives from the VRC to our members are the Finance Academy courses, Vrij-Mi-Know (zoom) online sessions, newsletters and the e-magazine; VRC Voices.</p> <p>VRC considers developing and implement a distinctive page on the VRC website giving access to relevant international information regarding IFRS, FEE, IGC, and IFAC. Relevant Exposure Drafts and reactions can be part of this page. See Action Plan 5. IFRS is part of all EMFC study programmes.</p> <p>Translations of the IFRS are only made when members are in need of help.</p>					
<p>Promotion of revised IFRSs</p>					
41.	Ongoing	The VRC continues to encourage the use of IFRSs by public interest entities. Moreover, the VRC makes its best endeavours to promote improved implementation with the AFM and CEA for the CPD. Yearly, the AFM releases activity reports with recommendations	Ongoing	VRC EB	VRC
42.	Ongoing	The VRC raises awareness of the potential impact on Dutch practice from Exposure Drafts (EDs) and Interpretations. Additionally, the VRC supports exemptions for SMEs and allows micro-enterprises to choose Dutch tax standards when appropriate. These efforts aim to enhance accounting and financial reporting standards and provide valuable insights for the Dutch professional community.	Ongoing	VRC EB	VRC

#	Start Date	Actions	Completion Date	Responsibility	Resource
43.	Ongoing	Inform those VRC members who are working in public interest entities with the new IFRSs via the website. Including ED's and following CPD courses and VMKs on revised IFRS standards.	Ongoing	VRC Markcom	VRC EB VRC Staff,
44.	2014	Provide access to IFRS and guidelines through several websites (for instance the Global Knowledge Gateway) by providing links on the VRC website to the IFAC website and topical articles in our Magazine.	Website: done.	VRC EB VRC Markcom	VRC EB VRC website
<i>Maintaining ongoing processes</i>					
45.	2023	In line with the IFAC's Exposure Drafts, the VRC is continuing to update its processes and standards.		VRC EB VRC Staff	VRC EB