

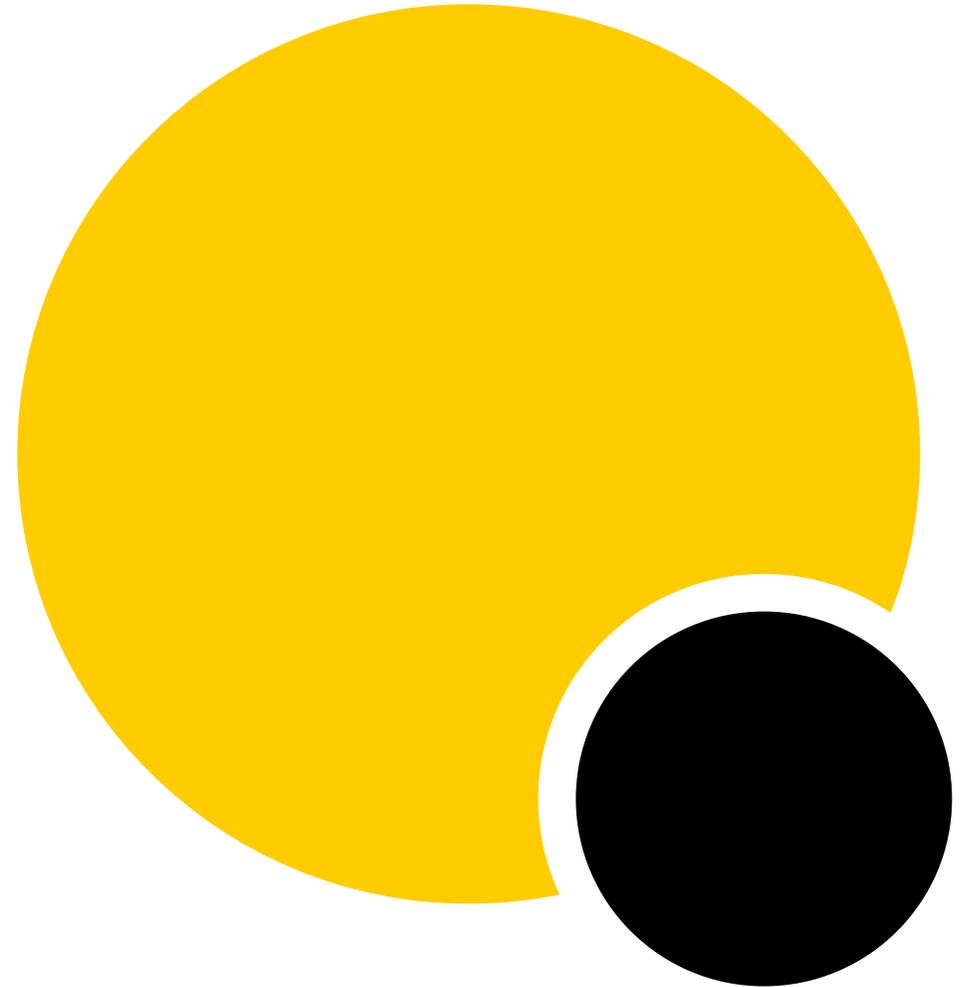
# The changing regulatory landscape & the imperatives for the audit profession

Moore Deutschland

Jens Poll, President Accountancy Europe

Hannover, 13 September 2025

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**CLOSE TO 1 MILLION  
PROFESSIONALS**



**26 EU  
MEMBER STATES**



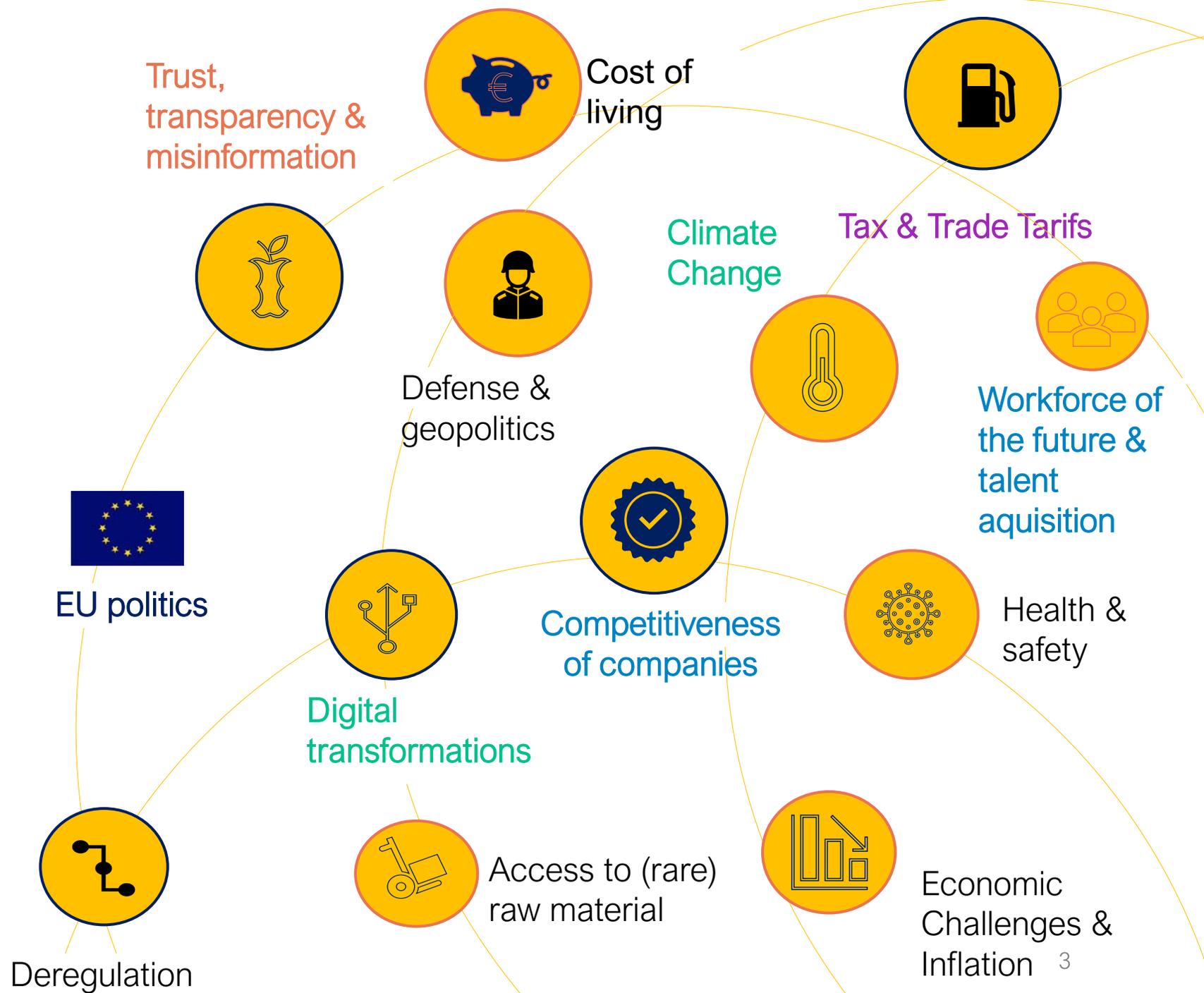
**49 INSTITUTES**



**35 COUNTRIES**

# Big Picture

## The world around us





## EU context: what's in the mind of policymakers

## Competitiveness, European resilience & its financing

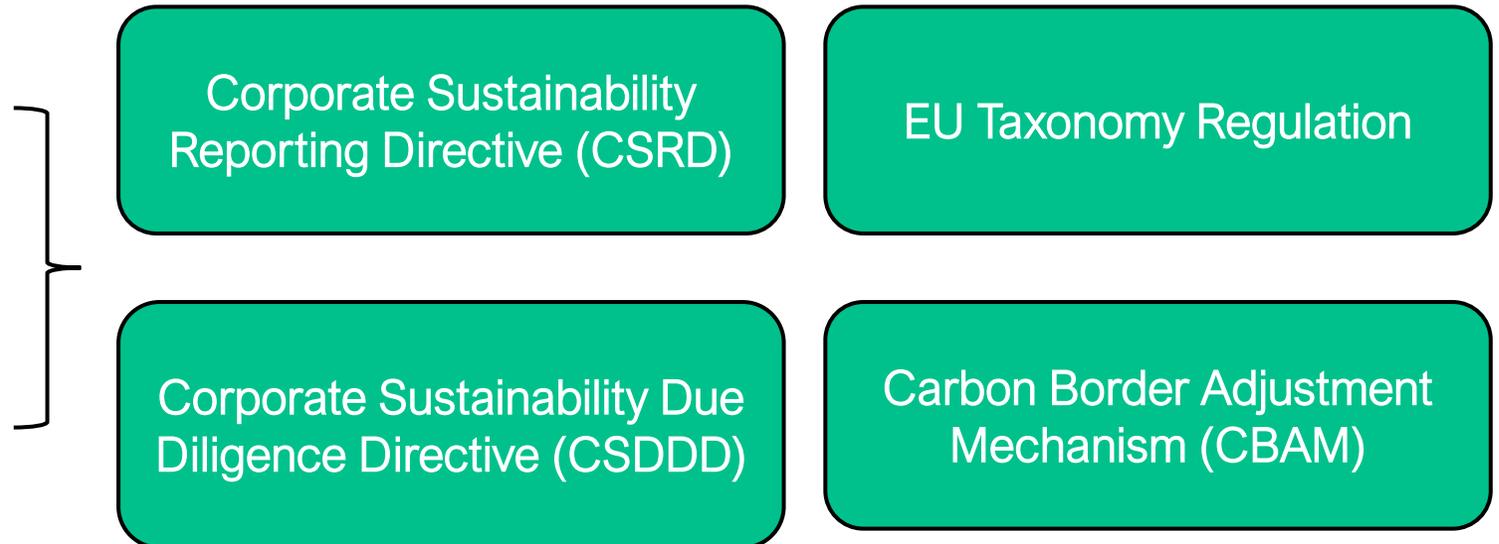
- **Advancing the EU Green Deal & Clean Industrial Deal**
  - Sustainability omnibus proposals, changing CSRD, ESRS, role EFRAG, assurance, ...
  - Clean energy: energy independence & lower prices
  - Circular economy: reduced reliance on critical raw materials
- Security & defence, migration, international trade
- **Promoting economic competitiveness**, omnibuses on small midcaps, tax, ...
- **Financing for EU's defence & twin transition: digital & sustainability:**
  - Private financing: new EU funds & Savings & Investments Union
  - Public financing: new levies, taxes, EU own resources

# EC Omnibus package context



*(...) streamlined rules (...) will make life easier for our businesses while ensuring we stay firmly on course toward our decarbonisation goals. And more simplification is on the way!*

*Ursula von der Leyen, President of the European Commission*



# CSRD: main proposed changes

## CSRD

2025: all large entities in scope

- € 25 million total balance sheet
- € 50 million net turnover
- 250 employees on average

ESRS: 1.134 datapoints, 83 disclosure requirements

EC Sustainability assurance standard

## Omnibus

2025:

- Stop-the-clock for 2 years

2027:

- large companies + 1,000 employees

Revised ESRS (-50%?)

Assurance continued, only EC guidance

### Evolution of the scope in number of companies

NFRD

12,000



CSRD

42,500



Omnibus

- 80% approx.



# SME thresholds adjusted for 25% inflation ('23)

- Impact on financial & sustainability reporting and audit

		Balance sheet EUR	Net turnover EUR
Micro	Current	350.000	700.000
	<b>Adjusted</b>	<b>450.000</b>	<b>900.000</b>
Small (lower end)	Current	4.000.000	8.000.000
	<b>Adjusted</b>	<b>5.000.000</b>	<b>10.000.000</b>
Small (higher end)	Current	6.000.000	12.000.000
	<b>Adjusted</b>	<b>7.500.000</b>	<b>15.000.000</b>
Medium / Large	Current	20.000.000	40.000.000
	<b>Adjusted</b>	<b>25.000.000</b>	<b>50.000.000</b>

EU level

- No audit
- No audit
- No audit
- Audit

# Implementation SME threshold in EU/EEA MS

To Maximum	Changed	No Change	Public Consultation
Germany Netherlands Ireland  Proposal: Czech Republic (X5)  ...	Austria: +25% Belgium: +25/33% France: + 25% Denmark: +25%*  ...	Italy Spain  ...	Finland Norway  ...

\*Denmark threshold are almost on max level. (Depending on FX used)

# Application of assurance provisions

2024		2025	2026	2027
<b>DMA</b> Digital Markets Act		<b>DORA</b> Digital Operational Resilience Act	<b>AI Act</b>	<b>CBAM</b> Carbon Border Adjustment Mechanism
<b>MiCA</b> Regulation of Markets in Crypto-Assets	<b>DSA</b> Digital Services Act			
<b>NIS2</b> Directive Network and Information Systems			<b>Cyber Resilient Act</b>	<b>Green Claims Directive</b>
<b>EU GBS</b> Green Bonds Standard/Regulation				

# From digitalisation to automation in audit firms

- Already happening: f.i. Datasnipper
- Rapid expansion & change
- Uncertainty on next steps
- Standard setters: from neutral position on technology to take action
- Need to remove barriers
- Collaboration between policy makers, regulators, profession & standard setters needed



**ACCOUNTANCY EUROPE.**

**5 WAYS PROFESSIONAL ACCOUNTANCY ORGANISATIONS SUPPORT THE TECHNOLOGICAL TRANSFORMATION OF AUDITING**

Information paper

**FACTS.** AUDIT & ASSURANCE FEBRUARY 2024

**ACCOUNTANCY EUROPE.**

europa  
european contact group

**INDEPENDENT ASSURANCE ON THE EUROPEAN SINGLE ELECTRONIC FORMAT**

Briefing paper

**VIEWS.** AUDIT & ASSURANCE DECEMBER 2019

**ACCOUNTANCY EUROPE.**

**DEMYSTIFYING TECHNOLOGY'S IMPACT ON AUDITING: WHAT DO EXPERTS SAY?**

Audit & Assurance Technology

**BECAUSE PEOPLE COUNT**

**ACCOUNTANCY EUROPE.**

**EUROPEAN SINGLE ACCESS POINT (ESAP) – WHAT DO AUDITORS NEED TO KNOW?**

The point of reference for EU Capital Market Information

Factsheet

**FACTS.** AUDIT & ASSURANCE JUNE 2024

# Ipsos: AI & future of accountancy profession

## Survey findings of 2.700 accountants:

- 81%: significant job change in 5 years
- 83%: firm will struggle if not adapt
- 85%: fairly willing to use AI
- 80%: 18-24 years old: confident
- 47%: >55s: confident to use AI
- 30%: data security concerns
- 52%: not enough training
- 79%: accountants become data guardians

## Recommendations:

- 1** Take the lead on promoting a positive vision of AI's impact
- 2** Collaborate with institutes to develop and deliver targeted AI training programs
- 3** Work to develop an AI competency framework for the profession



# Key AML changes & their impact on the profession

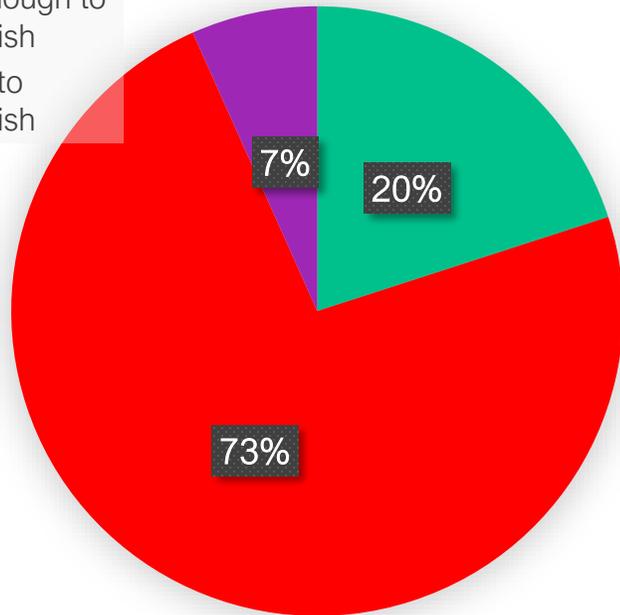
Legislative Instrument	Key changes	Implications for the profession
Anti Money Laundering (AML) Regulation	<ul style="list-style-type: none"><li>- Comprehensive AML compliance requirements: CDD, KYC, SARs, beneficial ownership, sanctions</li><li>- Mandatory appointment of Compliance Manager &amp; Officer</li><li>- Independent AML audit function</li></ul>	<ul style="list-style-type: none"><li>- Increased obligations and accountability for senior management</li><li>- More administrative work</li><li>- Significant operational impact for both large and small firms</li></ul>
6th AML Directive	Public authority to oversee self-regulatory bodies' AML duties	<ul style="list-style-type: none"><li>- Greater regulatory scrutiny</li></ul>
AMLA Regulation	<ul style="list-style-type: none"><li>- AMLA will not directly supervise the profession but will:<ul style="list-style-type: none"><li>• Conduct peer reviews</li><li>• Investigate breaches and non-compliance</li><li>• Issue binding standards and guidance</li></ul></li></ul>	<ul style="list-style-type: none"><li>- More formalised and robust supervision framework</li><li>- Enhanced supervisory methods and consistency across the EU</li></ul>

# Lack of attractiveness of the profession

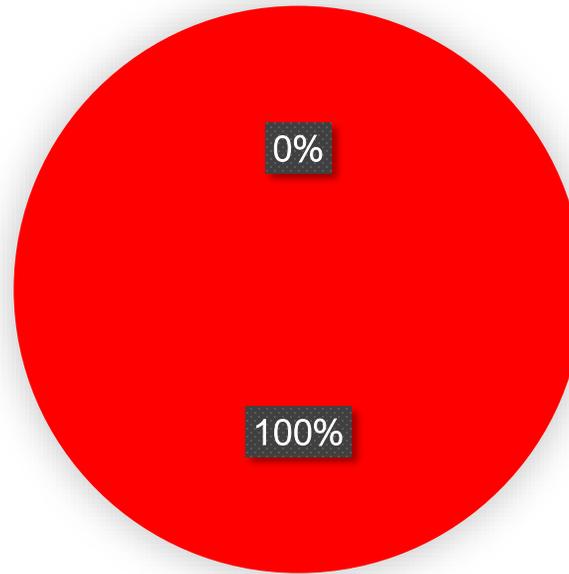
Replenishment of retiring professionals by newly qualified ones?

- Enough to replenish
- Not enough to replenish
- Equal to replenish

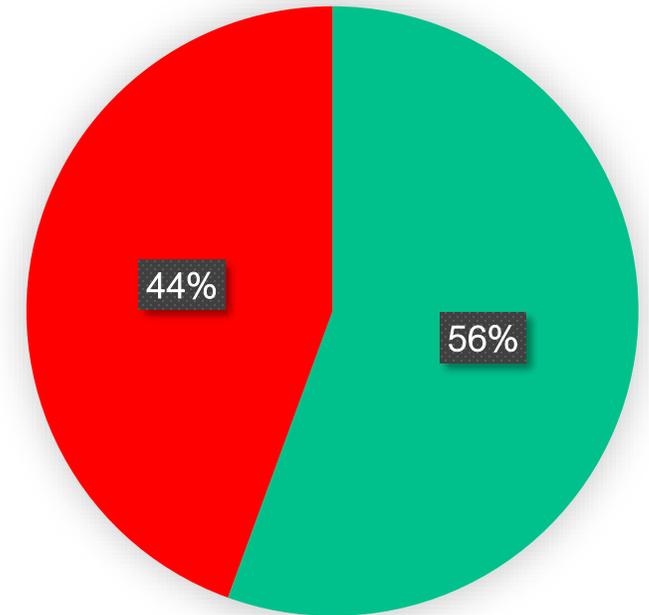
Auditors



Accountants



Mixed



# Some root causes & potential solutions

Some root causes	Potential solutions
<ul style="list-style-type: none"><li>• Incorrect narratives</li><li>• Time &amp; cost of qualification</li><li>• Low remuneration / partnership</li><li>• Lack of role models and diversity &amp; inclusion (D&amp;I)</li><li>• Wellbeing issues</li><li>• New contract with work</li><li>• Ecosystem – external factors like regulation</li></ul>	<p>Narratives</p> <ul style="list-style-type: none"><li>• Telling the story and D&amp;I</li></ul> <p>Access</p> <ul style="list-style-type: none"><li>• Amend qualification pathway</li></ul> <p>Wellbeing</p> <ul style="list-style-type: none"><li>• Respond to new contract with work &amp; regulatory pressures</li></ul> <p>Ecosystem</p> <ul style="list-style-type: none"><li>• Involve wider ecosystems as enablers</li></ul>

# Private equity investment in accountancy firms

Developments in Europe:

- BE, DE, FR, IE, IT, NL, SE, UK

Main PE investment activity: BE, NL, IE, UK

- But most/largest PE investment activity in USA

Limited PE investment in PIE auditors

Mainly in smaller accountancy firms, some with audit part

- BUT: Big 4 selling SME practices to PE firms

Recent development (2023/2024/2025)

Exit strategies?

<https://accountancyeurope.eu/publications/private-equity-investments-in-accountancy-firms/>

Reminder:

Article 3 SAD 2006/43:

- A majority of the voting rights [...] must be held by audit firms [...]
- A majority - up to a maximum of 75% - of the members of the administrative or management body of the entity must be audit firms or auditors [...]

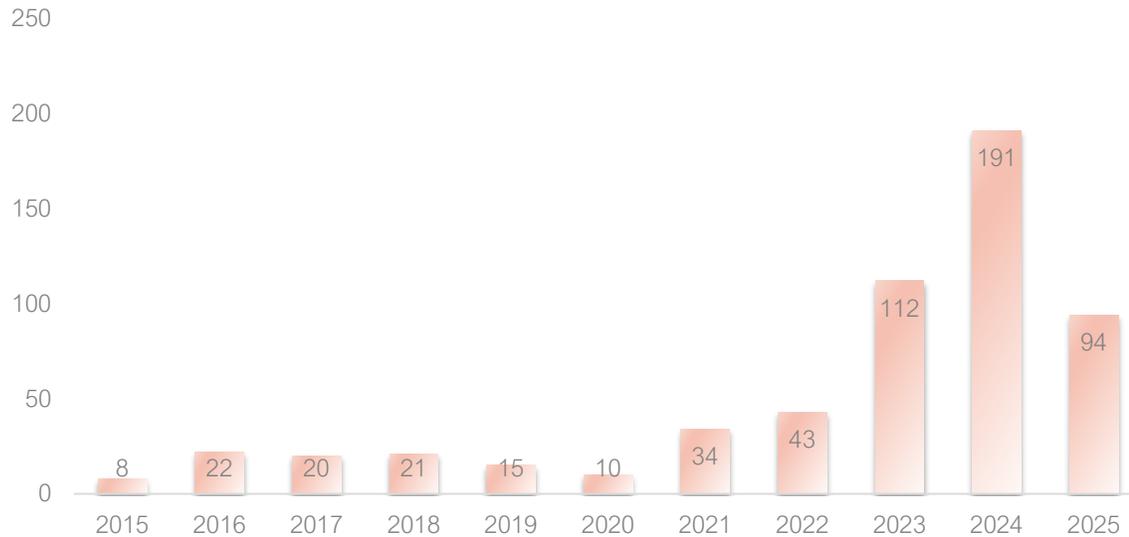
# Incentives for PE firms & accountancy firms

PE Firms	Accountancy Firms
<ul style="list-style-type: none"><li>• Stable and predictable cashflow</li><li>• Fragmented sector i.e. opportunity for merging &amp; synergies</li><li>• Opportunity to improve profitability / growth market</li><li>• Potential exit strategy TBD</li></ul>	<ul style="list-style-type: none"><li>• Investment in technology, automation, AI, processes, controls</li><li>• Management expertise for transformation, back office, training, marketing</li><li>• Expand service offerings by consolidation of firms</li><li>• Buy-out retiring partners &amp; facilitation of new partners joining</li><li>• Talent retention</li></ul>

# Potential transaction structure & implications

Potential transaction structures	Potential implications
<p>Different models:</p> <ul style="list-style-type: none"> <li>• Separation advisory &amp; audit               <ul style="list-style-type: none"> <li>• New Mountain 60% in GT US</li> </ul> </li> <li>• Growth through acquisition               <ul style="list-style-type: none"> <li>• Waterland in Moore in BE, ES, FR, IE, NL, UK</li> </ul> </li> <li>• Network model               <ul style="list-style-type: none"> <li>• Baltisse in PIA Group in BE, NL</li> </ul> </li> <li>• PE direct lending               <ul style="list-style-type: none"> <li>• BDO US ESOP</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Potential conflict of interest               <ul style="list-style-type: none"> <li>• with other PE investments</li> <li>• audit firm employees leased from PE owned firm</li> </ul> </li> <li>• Governance: changes in day-to-day operations &amp; decision making</li> <li>• Impact on market competition</li> <li>• Firm culture &amp; audit quality</li> <li>• Impact on multi-disciplinary model</li> <li>• Exit strategy uncertainty &amp; risks</li> </ul>

# PE activity in Europe last 10 years



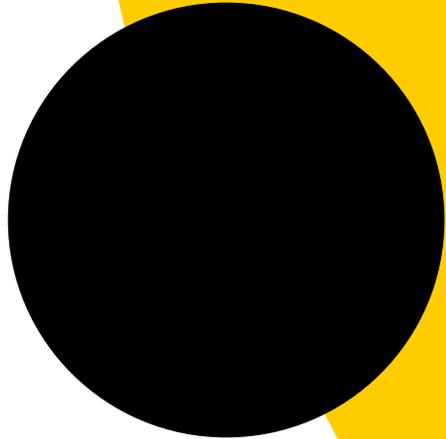
\*only first 4 months of 2025 are analysed

Country	No. of transactions	Percentage
United Kingdom	233	41%
Sweden	52	9%
Norway	50	9%
Netherlands	44	8%
Belgium	39	7%
Finland	36	6%
France	25	4%
Germany	21	4%
Ireland	16	3%
Spain	9	2%
Denmark	7	1%
Italy	6	1%
Other	32	6%
<b>Total</b>	<b>570</b>	<b>100%</b>

- PE transactions X 5,5 between 2021 and 2024 - from 2023 to 2024, number of deals + 71%
- Deal size and value not publicly disclosed but acquired firms in recent years are larger and more established
- 41% of acquired firms are based in UK, transactions in Scandinavian countries mostly involve small, local firms
- 41% of firms acquired provide audit services
- Around 150 PE firms have invested in accountancy firms in Europe in the last 10 years



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Your input?

# Thank you!



Avenue d'Auderghem 22-28, 1040 Brussels



+32(0)2 893 33 60



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