FREP Presidential Board

Annual Activity Report 2016

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1 Overview

- The error rate for 2016 is at a low level similar to the last three years.
- The FREP completed 96 examinations (prior year: 81), including 87 unlimited scope examinations, seven indication-based examinations, and two examinations performed at the request of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) in 2016. At 16%, the rate of financial reporting errors found was slightly higher than the prior year rate of 15%.
- Once again, a normalized error rate was determined to facilitate a more refined presentation. The normalized rate reflects adjustments for duplicate errors and for examinations confirming known errors. In 2016, the normalized error rate was 12%, slightly higher than the prior year rate of 10%.
- The follow-up is encouraging: Almost all errors identified in 2015 were corrected in the subsequent financial statements. The vast majority of FREP recommendations were implemented the following year, as well.
- In 2016, the FREP revised its principles for sampling companies for examination.
- The Act on the Implementation of the Directive Amending the Transparency Directive (Gesetz zur Umsetzung der Transparenzrichtlinie-Änderungsrichtlinie) and the Audit Reform Act (Abschlussprüfungsreformgesetz) have also led to several changes in enforcement.
- Attending the meetings of the European Enforcers Coordination Sessions (EECS) and participating in working groups remained the key components of the FREP’s international cooperation in 2016.
- The FREP’s expenses of EUR 5.13 million were higher than in the prior year (EUR 4.91 million).
2 Examinations in 2016

2.1 Examination results

In 2016, the FREP completed a total of 96 examinations (prior year: 81). 15 out of 96 examinations identified errors. This corresponds to an error rate of 16%, slightly above the prior year rate of 15% (Fig. 1).

Figure 1: Completed FREP examinations, error rate trend
As in the past, a normalized error rate was determined in order to facilitate a more refined presentation and analysis, reflecting adjustments for duplicate errors and for examinations confirming known errors. The normalized error rate for 2016 of 12% was slightly higher than in the prior year (10%) (Fig. 2).

![Error rate trend](image)

**Figure 2: Error rate trend**

In 2016, the FREP’s Pre-Review Committee initiated five indication-based examinations, including three examinations of semi-annual financial reports: In two cases, the initiative came from the FREP’s Media Analysis Committee, which is responsible for analyzing reports in the business press. In one case a member of the FREP initiated an indication-based examination because the results of a follow-up indicated that the financial statements were potentially erroneous (Fig. 10). One additional indication-based examination was initiated because a member of the FREP had noted indications of potential errors in a semi-annual financial report while performing another examination. Finally, one further indication-based examination was the result of information provided by an external third party.
The examinations completed in 2016 consisted of the following: 87 out of 96 examinations completed were unlimited scope examinations. The FREP also completed seven indication-based examinations, including two examinations of semi-annual financial reports. Two further examinations were conducted at the request of the BaFin, including one related to a semi-annual financial report. While the error rate of 11% for unlimited scope examinations remained flat with prior year, the error rate for the indication- and request-based examinations (both focused examinations) completed remains high (Fig. 3).

Figure 3: Completed FREP examinations by type of examination and error rate
An analysis of completed examinations by company size (i.e. inclusion in a stock index) indicates that the 25% error rate for smaller companies not included in a stock index exceeds the rate for companies included in an index (5%). The error rate of 5% for companies included in a stock index was lower than in the prior year (8%). The 25% error rate for companies not included in a stock index exceeds the prior year rate (16%). All companies for which errors were identified had their registered office in Germany (Fig. 4).

### 2.2 Types of errors and related analysis

The errors found in 2016 were again attributable to the following factors:

- comprehensiveness and application challenges of IFRS with respect to accounting for complex transactions
- insufficient reporting in the notes and in the management report.

Figure 4: Completed FREP examinations by stock index and error rate
Fig. 5 shows the most frequently identified errors:

![Figure 5: Most common types of errors](image)

Once again, reporting in the notes and in the management report represented an important source of errors in 2016. Two out of five infringements found in notes related to disclosures of segment information. In one instance, the disclosures on a business combination were erroneous. The three infringements in management reports related to the disclosures on financial covenants and the reports on forecasts and on risks.

Application challenges of certain IFRS with respect to accounting for complex transactions related especially to financial instruments and business combinations and disposals/goodwill. Errors identified in the financial instruments category included the recognition criteria for a receivable and recognition of a liability relating to a put option. Finally, the FREP found four infringements related to the issue of business combinations and disposals/goodwill, including two cases involving the purchase price allocation.

### 2.3 Quality assurance

It is crucial to the success and recognition of the FREP, which is organized under private law, that the work and decision process involved in each examination be of high quality.
In addition to the demanding qualifications required of FREP employees, a high standard of quality also applies to the decision process related to each examination (Fig. 6).

All individuals (e.g. Presidential Board, managing director, FREP members, external specialists) involved with an examination at a technical level must be independent. Thus, an individual cannot be involved with any examination if there are reasons, especially business, financial, or personal relationships, giving rise to concerns that the individual’s independence may be impaired. Each member of the FREP works on various examinations concurrently, acting...
as one of the following provided they meet the independence requirements: responsible panel member, quality control panel member, or chamber member. As a result, the chamber’s final decision is always based on the opinion of at least five experts (“10 eyes principle”). The chamber comprises the responsible panel member and the relevant quality control panel member and three additional members: the president, the vice president and one further panel member. If, during the examination, indications emerge that the financial statements are potentially erroneous, the FREP’s managing director also performs a further legal analysis. Moreover, it is possible to involve additional members to help deal with complex issues.

Where issues are complex, the FREP can also utilize the expertise of external specialists (e.g. valuation of real estate), and, where it is unclear how financial reporting standards should be interpreted, the FREP can present the case at the EECS meetings on an anonymous basis. In summary, when the FREP concludes that an error exists, that conclusion is based on a thorough decision process including extensive quality assurance.

2.4 Acceptance rate

When the FREP identifies an error, it asks the company involved whether it accepts this finding. The finding of an error is normally preceded by a focused discussion with the company. The FREP believes that it is important to give companies and their auditors the opportunity to present their views and arguments and to enter into open discussions. In these discussions, the FREP’s representatives provide detailed explanations of their rationale for considering the accounting treatment or presentation in the notes/management report to be inappropriate. In 2016, the acceptance rate was 73% (Fig. 7).
All examinations in which errors are found are automatically referred to the BaFin, regardless of whether the company has accepted the finding. Where findings are not accepted, the BaFin performs a separate additional examination. The BaFin completed a total of four such cases in 2016 (prior year: four). The FREP’s result was confirmed in three cases (prior year: three) and the error was made public. Two reasons can result in the FREP’s result not being confirmed: either, at the second tier, the BaFin may come to a technical conclusion that differs from that of the FREP (2016: one case; prior year: none), or the enforcement process is discontinued at the second tier by the BaFin (2016: none; prior year: one case).

2.5 Length of examinations

An analysis of the length of examinations for the years 2005 to 2016 shows that, on average, examinations are completed in 7.5 months (Fig. 8). 86% of examinations were completed within one year, 44% within six months. About 14% of examinations lasted longer than one year. These cases frequently resulted in a finding of an error (42%).
2.6 Recommendations made

As part of its error prevention function, the FREP frequently makes recommendations to companies for future financial reporting purposes during the examination in order to rectify weaknesses in future financial statements and improve the quality of financial reporting.

The most common categories of recommendations are shown in Fig. 9. In 2016, recommendations were primarily attributable to insufficient reporting in the notes and management reports. Recommendations made with respect to management reports where largely preventative recommendations on the application of GAS 20 with respect to the presentation of key financial performance indicators and the report on risks.

Insufficient note disclosures were identified, among others, with respect to business combinations (five recommendations) and financial instruments (one recommendation). Finally, as is the case with findings of an error discussed above, application challenges of IFRS with respect to accounting for complex transactions related especially to the financial instruments, and the business combinations and disposals/goodwill categories.
2.7 Follow-up

In 2016, the FREP has once more systematically followed up on the correction of errors found in the prior year as well as on the implementation of recommendations made in the prior year based on publicly available information.
Six of the twelve companies where the FREP identified an error in 2015 corrected the error in their subsequent financial statements (Fig. 10). In one case, the error identified by the FREP was not corrected, which resulted in the FREP initiating an indication-based examination. For the remaining five companies it was not possible at the time of the follow-up to determine whether the correction had been made. In two cases, the examination was still pending with the BaFin at the second tier since the companies had not accepted the FREP’s finding of an error. In another case no financial statements were publicly available as the company had become insolvent. Finally, two companies were no longer publicly listed and are thus no longer subject to enforcement.

Figure 11: Implementation of recommendations made in 2015

Out of a total of 25 companies receiving recommendations as part of a FREP examination in 2015, 17 companies have implemented the recommendations (Fig. 11). For eight companies, either it was not possible to determine whether the recommendation had been implemented by merely reviewing the subsequent financial statements, or the recommendation remained immaterial (no material misstatement of net assets, financial position, or earnings).

The FREP will continue to follow up timely on whether errors are corrected and recommendations are implemented.
3 Error prevention

3.1 Overview

In 2016, the FREP continued to utilize its preventative instruments to prevent future errors (Fig. 12).

In 2016, the FREP made more than 55 individual recommendations with respect to future financial statements to companies subject to examinations (see chapter 2.6 for categories of recommendations).

In addition, the FREP announced its enforcement priorities for 2017 in November 2016 in order to give companies and auditors an opportunity to critically review the corresponding accounting issues (see chapter 3.2 for further detail).

In order to already prevent errors during financial statement preparation and to provide accounting-related guidance to companies, the FREP introduced the case-related ex-ante que-
ry in November 2009. This instrument was not used in 2016, however (18 cases completed in total since 2009).

In addition, the FREP’s prevention activities in 2016 included its annual discussions with audit firms (see chapter 3.3 for further detail). The FREP established a similar forum in the form of workshops with members of supervisory and management boards in the past.

To improve the quality of financial reporting standards, the FREP’s preventative instruments also include a regular exchange of information with standard setters. Finally, the FREP’s preventative measures also focused on general public relations activities in 2016 (see chapter 3.4 for further detail).

3.2 Enforcement priorities for 2017

In November 2016, the FREP announced its enforcement priorities for the following calendar year. These are addressed in all of its unlimited scope examinations to the extent they are material.

Enforcement priorities are selected based on issues that have proven particularly critical or susceptible to error in the past (e.g. accounting for financial instruments). In addition, the issuance of new standards (IFRS 9, IFRS 15, IFRS 16) prompted the selection of the corresponding note disclosures as enforcement priorities.

The following enforcement priorities were announced for 2017:

1. Presentation of financial performance
2. Financial instruments: distinction between equity instruments and financial liabilities
3. Disclosures of the impact of the new standards on consolidated IFRS financial statements
4. Interests in other entities
5. Impairment test of property, plant and equipment

The first three enforcement priorities represent the “European Common Enforcement Priorities” identified by national enforcers in cooperation with ESMA. Apart from the three enforcement priorities, ESMA encourages issuers to assess and disclose the associated risks

1 The common European enforcement priorities can be downloaded from the ESMA website.
and expected impacts of the United Kingdom’s referendum to leave the EU. A detailed discussion of the European enforcement priorities is available on the ESMA website.

The last two enforcement priorities, interests in other entities and impairment tests of property, plant and equipment, represent the FREP’s additional national enforcement priorities.

**Interests in other entities**

- Assessment of judgement-based decisions in “atypical” cases (IFRS 10, IFRS 11, IAS 28) and completeness of the related note disclosures in accordance with IFRS 12 and IAS 24
  - Non-consolidation when holding a majority of the voting rights
  - Consolidation despite lack of majority of voting rights
  - Equity method not used despite existence of one or more indicators listed in IAS 28.6
  - Use of equity method when holding less than 20% of voting rights
- Change in control of an investee
  - Determination of date consolidation begins or ceases (IFRS 10.20)
  - Revaluation of previously held equity interests when obtaining control and equity interests retained when control is lost (IFRS 3.42, IFRS 10.25 (b))
- Assessment of quantitative and qualitative materiality of unconsolidated subsidiaries and presentation upon initial consolidation

**Impairment test of property, plant and equipment**

- Performance of an impairment test upon identification of indicators that an item of property, plant and equipment is impaired (IAS 36.12-36.14) and determination of the level at which the test is performed (IAS 36.66)
- Reasonableness of significant assumptions used to estimate recoverable amount when testing at the level of a cash-generating unit (CGU) (IAS 36.33 et seq.)
- Including liabilities when estimating value in use and carrying amount of the CGU (IAS 36.76 (b) and 36.78, IFRS IC agenda decision May 2016)
When the calculated amount of an impairment loss on a significant CGU is not recognized in full (IAS 36.105):

- Evidence of the lower limit on the value of significant individual assets of the CGU, i.e. “fair value less costs of disposal"
- Review of whether additional note disclosures are required regarding the approach followed in determining the measurement bases (IAS 1.117 et seq.) and regarding the underlying assumptions and other sources of estimation uncertainty when judgement has been applied (IAS 1.125 et seq.)

### 3.3 Annual discussions with audit firms

During the first quarter of each year, the FREP holds discussions with the chairs of the management boards or managing directors of the five largest German audit firms aimed at providing insight on the FREP’s activities using specific cases. In 2016, discussion topics included errors identified in the most recent round of examinations and issues noted in the financial reports of companies audited by the relevant audit firm.

Once a year, the FREP also holds discussions with representatives of medium-sized audit firms auditing publicly listed companies via the platform of the Institute of Public Auditors in Germany (IDW – *Institut der Wirtschaftsprüfer*). This sharing of experiences is intended to make the FREP’s approach transparent to auditors in order to ensure that accounting weaknesses are already identified during their audit. In January 2016, the FREP also gave a speech discussing the enforcement priorities 2016 at this event in order to make auditors aware of the problems associated with those.

### 3.4 Public relations activities

In 2016, the FREP once again used its general public relations activities to provide insight into its activities as well as into technical topics specific to financial reporting. The president, vice president, and managing director as well as the FREP’s members gave presentations and participated in discussions at more than 25 technical conferences. These events were primarily aimed at company representatives and auditors. The speeches dealt mainly with national and European developments in enforcement. Topics of speeches and discussions also included the EU audit reform, the ESMA Guidelines on Alternative Performance Measures (see chapter 6.3 for further detail), and enforcement related to business combinations as well as goodwill impairment testing. In addition, as in prior years, the Panel’s Presi-
dential Board delivered a speech on the enforcement priorities issued for the following year at the annual conference of Deutsches Aktieninstitut in November 2016.

Furthermore, publications and technical articles on topics such as the activities of the FREP and alternative performance measures (non-GAAP measures) were published in 2016.

4 Principles for selecting companies for examination

4.1 Overview

The FREP has revised its principles for unlimited scope examinations in 2016. The process for selecting companies for an unlimited scope examination is summarized below.\(^2\) The principles for unlimited scope examinations in accordance with section 342b (2) sentence 3 no. 3 HGB (German Commercial Code) were proposed by the Enforcement Panel and were approved by the Federal Ministry of Justice and Consumer Protection (Bundesministerium der Justiz und für Verbraucherschutz – BMJV) and the Federal Ministry of Finance (Bundesministerium der Finanzen – BMF) on 15 December 2016. Sampling is performed using a three-step system that combines risk based selection, stratified random sampling and an additional random selection from the population (Fig. 13). The newly introduced additional selection is designed to ensure that an examination may be initiated at any time.

4.2 Risk based selection (selection step 1)

If there is a concrete indication of an error rather than merely an abstract risk and it is in the public interest, the FREP immediately initiates an indication-based examination.\(^3\) Thus, 100% of these companies are subjected to an examination on a timely basis.

In addition, the FREP aggregates companies subject to abstract risks into a separate group (risk group). These include circumstances with a higher level of inherent risk, such as an initial public offering or unusual transactions. The risk factor “issues noted in past enforcement examinations” was newly added to the listing of abstract risks. The risk group is selected from the population of all companies subject to enforcement by the FREP. The size of the random sample drawn from the risk group was increased from 30% to 40%.

\(^2\) The principles for unlimited scope examinations can be downloaded from the FREP’s website.

\(^3\) In addition, the BaFin can initiate a request-based examination if it has concrete indications of an error.
4.3 Stratified sampling (selection step 2)

The stratified sampling procedure is applied to all companies subject to enforcement that have not already been selected in the risk based selection procedure. Any company selected from the risk group is removed from the population for stratified sampling for the duration of the examination cycle. Sampling is based on the following stratification:

- Examination within each 4 to 5 year cycle for index companies (DAX, MDAX, SDAX, TecDAX)
- Examination within each 8 to 10 year cycle for other companies (non-index companies)

Companies selected in selection steps 1 and 2 are removed from the total population of the relevant stratum and an examination is performed on all companies remaining in that stratum in the final year. This ensures that an examination is performed on all companies within a certain period.

4.4 Additional selection (selection step 3)

A third step then covers all companies not selected in steps 1 and 2 that year. A random sample of ten companies is selected from this group each year. Three of these companies are then selected for examination in a manner that prevents an excessive enforcement burden on any one company. This step ensures that any company may be selected for examination at any time.
5 Changes in law and their impact on enforcement

The Act on the Implementation of the Directive Amending the Transparency Directive (Gesetz zur Umsetzung der Transparenzrichtlinie-Änderungsrichtlinie) has resulted in the following three changes in enforcement:

- only companies with Germany as their home country are subject to enforcement,
- focused examinations can also be initiated for the prior year, and
- (consolidated) payment reports are subject to enforcement as part of focused examinations.

The EU audit reform also resulted in the following clarifications related to enforcement when the Audit Reform Act (Abschlussprüfungsreformgesetz - AReG) became effective on 17 June 2016: First, the examination also extends to the underlying accounting records. Second, the examination can be continued despite the securities no longer being admitted for trading in an organized market if the subject of the examination is an error whose publication is in the public interest.

In addition, since AReG became effective, facts suggesting that the auditor has violated his professional duty are no longer reported to the German Chamber of Public Accountants.
(Wirtschaftsprüferkammer – WPK), but to the Auditor Oversight Body (Abschlussprüferaufsichtsstelle – APAS) at the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle), instead. As in the past, the FREP still complies with this legal reporting obligation whenever it identifies a misstatement in a financial report and the auditor has not qualified the audit report accordingly. Also new is the fact that the communication is no longer made solely by the FREP to the Oversight Body, but that the APAS also notifies the FREP of concrete indications of erroneous financial reports identified during its inspections (Fig. 14). As a result, the APAS may act as an external source of indications, which may lead to an indication-based examination being initiated.

Figure 14: Cooperation FREP and APAS

6 Developments in Europe

6.1 Overview

In addition to assisting with developing European Common Enforcement Priorities, in 2016, the FREP primarily cooperated with ESMA, and will continue to do so in the future, in the following areas:

- actively attending EECS meetings
• participating in ESMA working groups
• complying with ESMA guidelines on harmonizing enforcement in Europe

6.2 European Enforcers Coordination Sessions and working groups

Attending the meetings of the EECS remained a key component of the FREP’s international cooperation in 2016. The EECS represents a forum for national enforcers and ESMA to discuss IFRS application issues of transnational interest that meets approximately nine times per year.

In 2016, the FREP presented, on an anonymous basis, issues in the EECS meetings arising either from ongoing examinations as emerging issues (i.e. before a decision was taken in the national enforcement procedure) or from decisions taken in actual examinations. ESMA makes extracts containing selected decisions of national enforcers discussed at the EECS meetings available to the public. A total of 209 decisions by national enforcers has been published in 19 extracts since 2007; for legal reasons, cases from Germany are not included.

In addition to attending EECS meetings, representatives of the FREP held an education session on deferred tax assets on loss carryforwards for the other national enforcement institutions in December 2016. Representatives of the FREP are also members of ESMA working groups, for instance the Financial Disclosure and IFRS 13 Fair Value Measurement working group. Furthermore, an ESMA working group on IAS 12 Income Taxes was initiated in 2016 and is coordinated by a representative of the FREP.

One member of the FREP is also a member of the “sub-group of EECS on U.S. GAAP”, which is tasked with dealing with issues arising in connection with examinations of U.S. GAAP financial statements.

6.3 ESMA guidelines

ESMA issues guidelines in order to establish consistent, efficient and effective supervisory practices within Europe and to ensure the common, uniform and consistent application of Union law (see Art. 16 of the ESMA regulation). The competent authorities and financial market participants shall make every effort to comply with those guidelines. Each competent authority (in Germany: BaFin) shall confirm whether it complies or intends to comply with the guideline. In the event that a competent authority does not comply or does not intend to comply with the guideline, it informs ESMA, stating its reasons (comply-or-explain).
As ESMA guidelines do not constitute binding EU law, they do not have a direct impact on the national German enforcement system. However, the FREP follows the guidelines to the extent they do not conflict with national law. The following ESMA guidelines are relevant to the FREP:

<table>
<thead>
<tr>
<th>Guidelines</th>
<th>Date issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guidelines on enforcement of financial information</td>
<td>July 2014</td>
</tr>
<tr>
<td>Guidelines on Alternative Performance Measures</td>
<td>June 2015</td>
</tr>
</tbody>
</table>

ESMA started a peer review of selected European enforcers with respect to their compliance with the “Guidelines on enforcement of financial information”.

The “ESMA Guidelines on Alternative Performance Measures” became effective on 3 July 2016. The Guidelines on Alternative Performance Measures are aimed at improving the comparability, reliability and comprehensibility of published financial information (e.g. in management reports). Alternative performance measures include EBITDA (earnings before interest, taxes, depreciation and amortization) or free cash flow, as these measures are not defined in either IFRS or HGB.

The FREP has already been examining key financial performance indicators in the past. In Germany, section 315 (1) sentence 3 HGB in connection with GAS 20 already contains detailed requirements regarding reporting on financial performance indicators in the group management report. These also include alternative performance measures. Where a company has not complied with individual requirements of GAS 20, the FREP normally makes recommendations for future management reports to prevent errors. In addition, the FREP brings any departures from the Guidelines on Alternative Performance Measures to the companies’ attention during examinations of management reports related to consolidated IFRS financial statements or to stand-alone HGB financial statements as well as during examinations of interim management reports.

The FREP’s criterion for an error, embedded in sections 289 and 315 HGB, remains unchanged: The FREP concludes that an error exists if its overall assessment of the management report results in the conclusion that the information provided to the reader about the company’s net assets, financial position, and earnings and/or the significant opportunities for and risks to the company’s future development is incorrect, misleading, or incomplete.
7 Acknowledgements and outlook

The FREP was able to continue its work successfully in 2016 and would like to thank the companies examined and their auditors for their willingness to cooperate and the extensive technical discussions. The FREP would also like to extend its particular gratitude to those who have generously supported it: The members of the FREP association, its Governing Board and Nomination Committee, as well as our advisory group, the responsible bodies at the German Federal Ministry of Justice and Consumer Protection, at the German Federal Ministry of Finance, and in particular the BaFin, the Deutsches Rechnungslegungs Standards Committee (DRSC – Accounting Standards Committee of Germany), the audit firms, the IDW, and the APAS. Special thanks go to the vice president, management, panel members, and office staff for their consistently dedicated and exceptionally professional work.

The FREP would also like to thank Dr. Werner Brandt, who left his position as chairman of DPR e.V. and member of the Nomination Committee at the end of his regular term of office in May 2016. Dr. Brandt served the FREP as chairman of the Governing Board and member of the Nomination Committee with enormous dedication on an honorary basis for twelve years. Dr. Brandt will remain associated with the FREP as a member of the Panel’s Advisory Board.

In May 2016, the General Assembly of DPR e.V. appointed Dr. Rolf Pohlig to the position of Governing Board chairman which automatically makes him – like Dr. Brandt before him – a member of the Nomination Committee according to the charter. The FREP would like to express its gratitude to Dr. Pohlig for agreeing to serve the FREP as Dr. Brandt’s successor in an honorary role.

In July 2016, the FREP announced that its Nomination Committee had reelected Professor Dr. Bettina Thormann, vice president of the FREP since July 2013, for a second term of office with the approval of the BMJV in agreement with the BMF. Professor Dr. Thormann will remain in office for another regular four-year term (July 2017 to June 2021). On 27 June 2016, the German Federal Ministry of Economic Affairs and Energy appointed Professor Dr. Thormann to the technical advisory board of the APAS, which in turn elected her to the position of chair of the technical advisory board on 17 November 2016.

The FREP will continue to fulfill its error prevention role in 2017 in order to improve the quality of financial reporting for the long term.
And finally, at the European level, the FREP, together with the BaFin, will continue to work closely with the other European enforcers.

Professor Dr. Edgar Ernst
(President of the Enforcement Panel)