



THE BODY OF EXPERT AND
LICENSED ACCOUNTANTS OF ROMANIA

CECCAR

Annual Report

2014

**THE BODY OF EXPERT AND
LICENSED ACCOUNTANTS OF ROMANIA**



**Tradition
Professionalism
High Standard of Professional Competence**

The Body of Expert and Licensed Accountants
of Romania – CECCAR

2014 ANNUAL REPORT



Education, Quality, Ethics

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THE MESSAGE OF THE CECCAR PRESIDENT

Univ. Prof. Robert Aurelian Şova, PhD

2014 was a busy year for CECCAR and for the Romanian accounting profession. Marked by the 20th edition of the Congress of the Romanian Accounting Profession, which took place in Bucharest on 12-13 September, 2014 was defined by optimism. In this moment of review, I can state, with the utmost certainty, that the past year shall remain a milestone in the life of the Body, and also I believe it is crucial to learn from our past in order to make things even better in the future.

During the past year, several activities were unfolded in the interest of the profession and the Body, the most important of which was the process of developing CECCAR strategy in the new economic environment. We concluded, as an outcome of our participation at the World Congress of Accountants in Rome, that some of the issues we are facing have a worldwide magnitude, and I believe that applying some of the outlines established during the Congress,



both by the professional body and by its members, will be very useful for our country.

The development of our infrastructure is also an objective of the Body for the following period. I believe that, together with the CECCAR members, we will be able to develop a flexible and effective framework for their activities, for advocating their rights and the rights of the accounting

profession, as perceived by all our stakeholders: the business environment, the authorities.

We wish to maintain our good cooperation with the key national and local institutions, as well as with the reputed international organisations in which CECCAR is a full member, by continuing our active contribution to their efforts, representing the Romanian accounting profession in the international professional elite, and pursuing the enhancement of the ideas and solutions that contribute to the improvement of the professional body and the accounting profession in Romania.

We will continue to face the challenges and take the opportunities that will arise, focusing, in particular, on the optimisation of the National Program for Continuous Professional Development for professional accountants.

The pages of this report include a structured presentation of the entire activity undertaken in 2014 by the largest professional organisation in Romania – the Body of Expert and Licensed Accountants –, who will continue, as it has always done so devotedly, to support and promote high-quality professional practices.

“We will continue to face the challenges and take the opportunities that will arise, focusing, in particular, on the optimisation of the National Program for Continuous Professional Development for professional accountants.”

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THE MESSAGE OF THE CECCAR GENERAL DIRECTOR

Ec. Daniela Vulcan-Văduva

Looking back on 2014, we can notice we have written a new page in the history of CECCAR, a page that has been filled with remarkable events that have focussed on the accounting profession, and that, by employing our best efforts, professionalism, and dedication, we have been able to achieve the Body's main objectives.

A landmark in the life of CECCAR, 2014 was undoubtedly marked by the 20th edition of the Congress of the Romanian Accounting Profession, a major event that was welcomed with great enthusiasm by all its participants and brought together a large number of foreign guests.

CECCAR's busy agenda for 2015 focuses, among other issues, on continuing our activities, and on maintaining our reputation and everything that our professional body stands for, as a nationally and internationally recognised institution.

Our goal is, as it has always been, to maintain, through a successful cooperation with the main central and territorial institutions, the high



level of the accounting profession, a level that has been attained through hard work, professionalism and dedication.

CECCAR supports and promotes high-quality professional practices through a particular focus on the competence, the skills and the ethical conduct of those engaged in the profession. A major contribution to the development of the accounting profession is represented by the cooperation

agreements signed with employers' associations, with professional and general government structures, but also by our dialogue with the business sector and the cooperation with the academic environment; this is why we are constantly trying to stimulate these relationships.

In order to serve the public interest and contribute to the economic growth, and also with the aim of providing a strong and permanent support to our constituents in

conducting their professional activities and obtaining the highest training possible, the Body of Expert and Licensed Accountants of Romania is planning a series of future national and international events, which will observe the same level of professionalism as usual.

Our Body's prestige and success is mainly due to the dedication proven incessantly by our members and this is why all our endeavours are oriented and adapted to their needs so that they always remain **SMART**.

"Looking back on 2014, we can notice we have written a new page in the history of CECCAR, a page that has been filled with remarkable events that have focussed on the accounting profession, and that, by employing our best efforts, professionalism, and dedication, we have been able to achieve the Body's main objectives."

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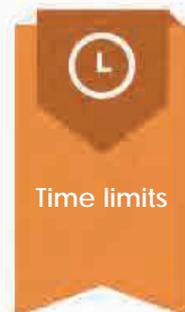
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ABOUT CECCAR

Created in **1921**, the Body of Expert and Licensed Accountants of Romania is the only not-for-profit and public interest professional body that represents the Romanian accounting profession. Acknowledged globally, CECCAR is a member of the International Federation of Accountants (IFAC) and of the Federation of European Accountants (FEE).

Throughout its history, CECCAR has known several evolution stages, managing to establish itself as a guarantor of national financial security, through extensive actions and high level of professionalism.

The first steps in reviving the activity of our institution, after the hiatus imposed in 1951 by the Communist regime, were made in 1990, when a mutual agreement was signed by technical experts and expert accountants, resulting in the creation, in 1991, of two independent Bodies: The Body of Expert Accountants and the Body of Technical Experts. The reestablishment of CECCAR was legally recognized in **1994**, under the presidency of **Professor Marin Toma, PhD**.

The next stage was to shape and promote the accounting profession during the post-revolutionary period of our Body, featuring the implementation of several programs aimed at the effective management, consolidation and development of all professional, material and spiritual values that make up CECCAR's design.

Since 2010, a series of reforms have been implemented in all areas of the profession, which have led to the consolidation of the liberal accounting profession and the irrevocable lay-out of the place and role played by CECCAR in the Romanian economy, as well as in the European and international accounting profession.

CECCAR has focused on developing an accounting profession that is able to contribute to the Romanian economic welfare, through the promotion and application of the International Financial Reporting Standards and of the International Education Standards by all professional accountants, so that



Romanian capital markets can benefit from a high level of financial reporting, and that the business and government sector can use a single language. Through its fundamental commandments – **Education, Quality of Services and Ethics** – CECCAR provides quality assurance for the services performed by its members, ensures the initial training and continuous development of professional accountants, oversees the understanding and the application of ethical principles, as well as of its members' deontological conduct.

Through its activities, the Body encourages professional accountants to respect global values intrinsic to this profession, namely **Integrity, Knowledge and Transparency**, which are emphasised in the Code of Ethics; it observes and takes action so that Romanian professional accountants, through the services they provide, comply, at all times, with all the market, business and public sector requirements.

The main objectives of CECCAR

Assuring the quality of the services provided by its members

Ethical and the deontological conduct of professional accountants

The professional accountants' initial training and continuous development

The Body of Expert and Licensed Accountants of Romania is the body that manages the Romanian accounting profession, with a remarkable development at national level, being represented in all 42 counties of our country through its territorial branches.

Our Body supports and promotes high-standard professional practices through its particular care for ensuring the competence, the skills and ethical conduct of professional accountants.

As an institution that has followed a long tradition and has been acknowledged both at international and European level – as proven by its membership in prestigious global and continental accounting organisations –, CECCAR targets the professional development of its members, so that they serve the public interest and lay the foundations of a strong, progress-oriented economy.

Through the activity of its members, CECCAR supports the expression of entrepreneurial abilities and contributes to ensuring a favourable business climate for Romanian Small and Medium Entities.

CECCAR contributes to the fulfilment of the accounting profession's fundamental objective, namely **providing high-quality services**.

The expert accountant enjoys a well-consolidated image built on the foundation of universal and globally-acknowledged traditions and values.

The Body of Expert and Licensed Accountants of Romania has become, over its 90 years of history, a strong professional institute, organised according to European



models, recognised as the organisation which has the power and capacity to undertake and transpose the international standards for the accounting profession into national pronouncements.

According to the Statement of Membership Obligations concerning the Code of Ethics for Professional Accountants (SMO4, issued by IFAC), CECCAR is responsible for promoting standards for high level professional conduct.

What are the advantages of collaborating with a professional accountant member of CECCAR?

The instruments successfully employed by professional accountants are the following: **Integrity, Objectivity, Professional Competence and Prudence, Confidentiality, Professional Behaviour, Compliance with Technical and Professional Pronouncements** at the highest standards of professionalism, reaching the highest levels of performance and responding to public interest requirements.



International Recognition

CECCAR maintains an active cooperation with the IFRS Foundation in London for the licensed translation into Romanian of the International Financial Reporting Standards.

The Body of Expert and Licensed Accountants of Romania is an active full member, representing the Romanian accounting profession amongst the international professional elite, in prestigious international organisations:

- ✓ **IFAC** (the International Federation of Accountants);
- ✓ **FEE** (the Federation of European Accountants / Fédération des Experts-comptables Européens);
- ✓ **FIDEF** (Fédération Internationale des Experts-comptables Francophones);
- ✓ **FCM** (the Federation of Mediterranean Accountants / Fédération des Experts-comptables Méditerranéens);
- ✓ **CILEA** (Comité de Integración Latino Europa-América);
- ✓ **ECGI** (the European Corporate Governance Institute);
- ✓ **IAAER** (the International Association for Accounting Education and Research);
- ✓ **L'ACADEMIE** (L'Académie des Sciences et Techniques Comptables et Financières);
- ✓ **IFA** (the International Fiscal Association).



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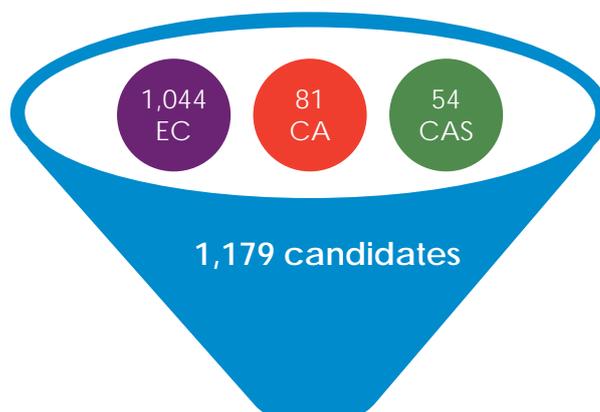
ACCESS TO THE PROFESSION



Access exams are held annually, according to the provisions of the CECCAR pronouncements in force.

The practical training access exam for 2014 was held on the 5th and the 12th of October 2014. 1,179 candidates entered the examination, according to the following professional categories:

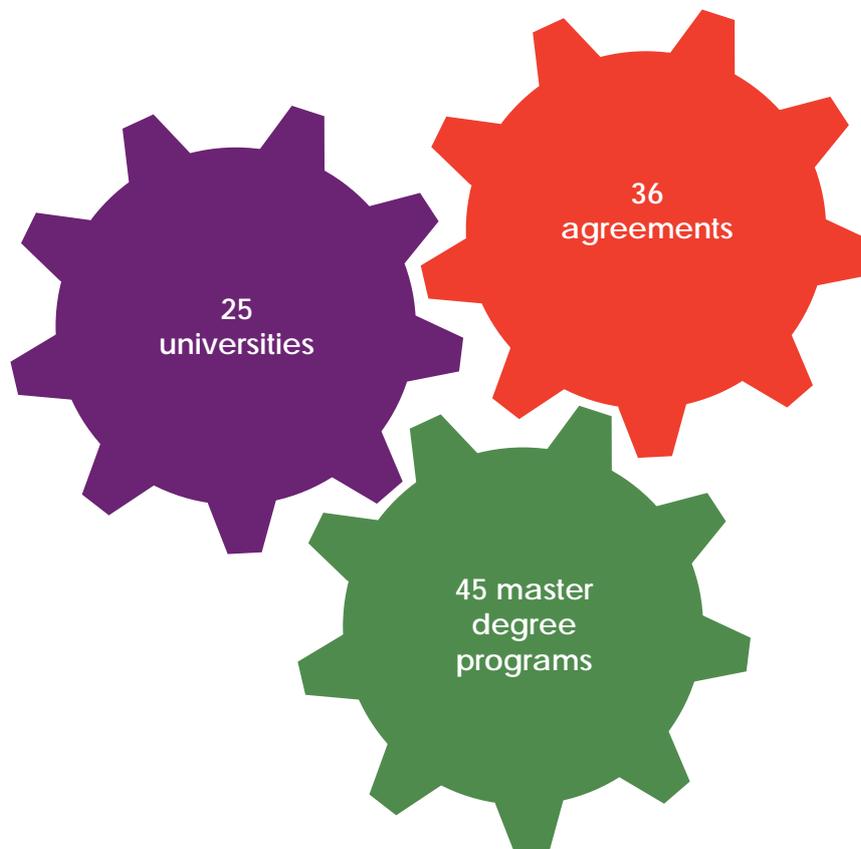
- 1,044 candidates for the expert accountant qualification (EC);
- 81 candidates for the licensed accountant qualification (CA);
- 54 licensed accountant candidates who meet the higher economic education condition for the expert accountant qualification (CAS).



Exemptions for the Access to Training Examination

In 2014, CECCAR has carried on the good collaboration with the academic sector, materialized into four cooperation agreements for exempting graduates of five master degree programs from the access to training examination.

Since the approval of the regulations concerning the access to training examination exemptions, **36 agreements** for such exemptions have been concluded for the expert accountant qualification, comprising **45 master degree programs** of **25 universities** (in 19 counties).



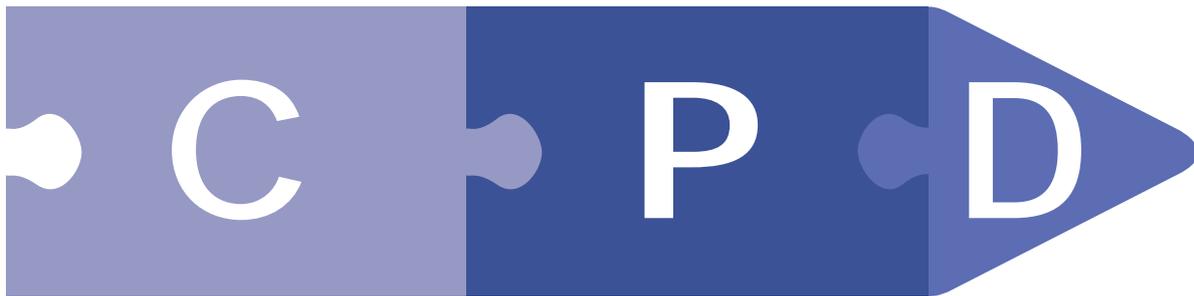
For the enrolment to the practical training stage, as of the 1st of January 2015, the graduates of the 2014 master degree programs were able to apply for an exemption by 31st of October 2014.

For that purpose, according to the cooperation agreements with specialised faculties in the country, in 2014, **689 exemption files** submitted by master degree program graduates were analysed and validated.

This number adds to the **2,360** files that were approved in 2010-2013, resulting in a total of **3,049** files up to this day.

5

CONTINUOUS PROFESSIONAL DEVELOPMENT



Continuous professional development represents a priority for our institution, transposed into the National Program for Continuous Professional Development, while answering to our members' need to be kept up to date with the latest issues in the accounting and fiscal field, and with the professional legislation and standards so that they can practice at the highest level of professionalism.



CECCAR educational programs for 2014, carried out through its branches, complied with the Activity Plan designed for 2014, approved by the National Conference on the 14th of March 2014, and with the decisions of CECCAR Superior Council and Standing Board. These actions are structured into four categories, namely:

- ❖ Continuous professional development courses (CPD);
- ❖ Training courses for exams and for skills tests;
- ❖ Technical and deontological training courses;
- ❖ Seminars, lectures, roundtables, etc.

In 2014, around 160 seminar hours were held in order to support the members through guidance and resolutions to practical issues, according to the requirements relating to this type of training, for approximately 1,800 trainees.

Our members' continuous training was the main activity on which CECCAR focused in 2014.



6

QUALITY AUDIT

The quality audit in the area of accounting services and forensic accounting expertise is one of the major objectives of the Body, which permanently takes the necessary measures to ensure high standards for the professional accountants' activity, thus contributing to consolidating the service beneficiaries' trust in the professional body's members.

Quality audit in the accounting services area mainly targeted the following in 2014:

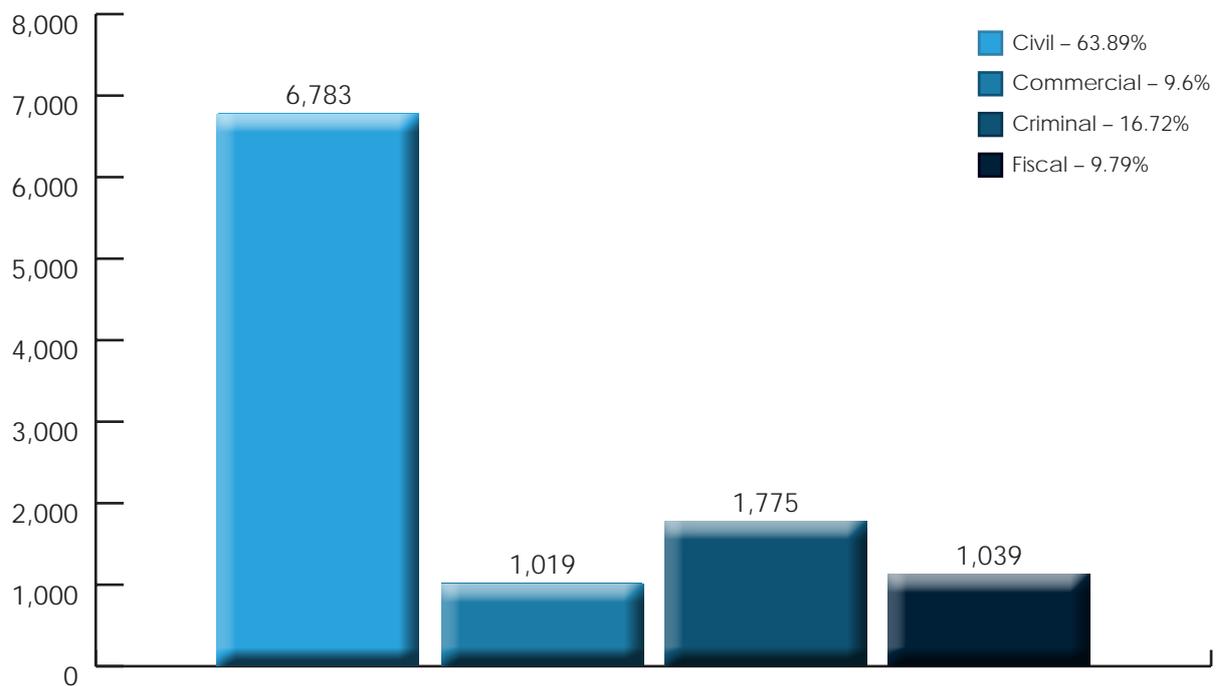
- The manner in which natural persons and legal entities, members of the Body, observe the professional standards in the activities they carry out, by complying with the **Professional Standards no. 21, 22, 23, 24, 32, 34, 36, 37, 38, 39 and 40**;
- Verifying forensic accounting expertise reports against compliance with **Professional Standard no. 35: Accounting expertise** and with **the National Code of Ethics for Professional Accountants in Romania**.

During 2014, a number of **2,696** practices were audited.

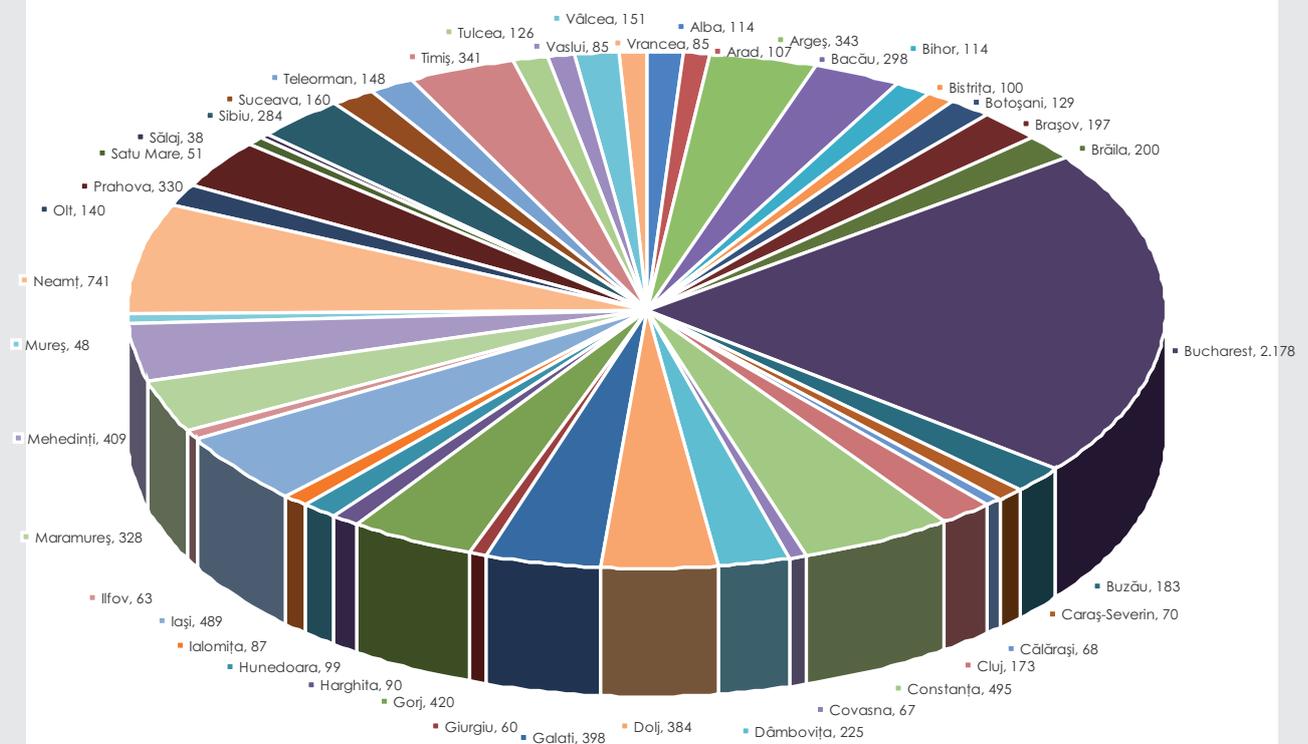
A number of **10,616** forensic accounting expertise documents were audited in 2014, classified as follows according to the nature of their objectives: 6,783 civil files – 63.89%, 1,775 criminal files – 16.72%, 1,019 commercial files – 9.6%, 1,039 fiscal files – 9.79%.



The number of forensic accounting expertise documents audited in 2014, by category



The number of forensic accounting expertise documents audited in 2014, by branch



In 2014, the collaboration with the beneficiaries of accounting expertise activities resulted in **158** actions.

7

COMMUNICATION WITH MEMBERS

Communicating with its members is an essential activity for the Body, 2014 being defined by the consolidation of this area, with a special emphasis placed on accurately informing its members regarding the management of the accounting profession, relevant updates, and other matters of interest.

In 2014, communication with members was ensured by the fastest and most efficient instruments:

- ❖ The **Internet**, through the permanently updated websites of our branches;
- ❖ The members' **Forum**, an active and very sought after instrument;
- ❖ **E-mail**, the communication with the members through this instrument registering favourable evolutions at the CECCAR branches level;
- ❖ **Direct dialogue with the members** at the territorial branches headquarters, both during the normal work hours upon the members' request, as well as through free of charge consultations offered by the elected structures;
- ❖ **Displaying** the ongoing activities **at the branches headquarters**;
- ❖ **Traditional mail**, by registered letter with advice of delivery for those with no e-mail address;
- ❖ **Local press**, by publishing articles, interviews and announcements regarding various activities organised by the branches;
- ❖ **Telephone**, this communication form is permanently employed to remind members the timetable of courses, meetings, and seminars, supplementing the other forms of communication.



8

MEMBERS' RECORDS

The CECCAR members records are kept through the Register of the Body, which comprises both natural and legal persons who have obtained the professional practice visa, as well as inactive members, natural persons, who do not have the right to practice the profession.

As such, the Decision of the Superior Council of the Body of Expert and Licensed Accountants of Romania no. 14/314 from 7 April 2014 regarding the approval of the CECCAR Register was published in the Official Journal of Romania no. 326 and 326 bis from 6 May 2014.

The members' records are managed on an integrated basis at the level of CECCAR, through the EVID Expert and CECCAR Romania programs.

In 2014, the visa/certificate for practising the profession was awarded to **22,533** members, natural and legal persons, who were published in the Official Journal, out of which **16,871** expert accountants, **1,882** licensed accountants and **3,780** companies.

Practising the expert and licensed accountant professions is allowed only subject to the delivery of a visa and the annual practice authorisation granted under the terms of CECCAR Pronouncements.



9

LEGISLATIVE CONCERNS

The management of the Body makes continuous efforts towards the amendment of legal provisions in the interest of CECCAR members.

In 2014, the executive management of CECCAR consulted with the technical commissions of the Superior Council on the development of potential proposals and on observations regarding:

- ✓ The draft emergency ordinance regarding the amendment of Art. 19² of Law no. 571/2003 on the Fiscal Code;
- ✓ The draft decision on amending and supplementing Government Decision no. 5/1999 regarding the approval of the Pronouncements on the application of Law no. 142/1998 regarding meal tickets;
- ✓ The draft instruction on the application of the International Financial Reporting Standards by the entities authorized, regulated and supervised by the Financial Supervisory Authority – the Financial Instruments and Investments Sector;
- ✓ The set of recommendations on implementing in Romania the Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings;



- ✓ The potential simplifications of the accounting records for the taxpayers in the micro-entity category;
- ✓ The amendment of Government Ordinance no. 2/2000 on organising the forensic and extrajudicial technical expertise activity;
- ✓ The legislative proposal on amending and supplementing Government Emergency Ordinance no. 75/1999 regarding the financial audit activity;
- ✓ The clarification of the accounting regulations provisions consistent with the European Directives regarding the accounting implications of grace period rental contracts;
- ✓ The draft regulation on the approval of Accounting Regulations consistent with the International Financial Reporting Standards (IFRS).

CECCAR **Tax and Accounting Legislations** working group met several times in 2014. The work agenda comprised a series of subjects, among which:

- Updating the Catalogue regarding the classification and normal operation periods of fixed assets;
- The draft law on strengthening financial discipline regarding cash payment and receipt operations;
- Flat rate taxes for auto repair shops;
- Law no. 18/2014 on amending and supplementing Law no. 52/2011 regarding the exercise of occasional activities undertaken by day labourers;
- Government Decision no. 119/2014 on amending and supplementing the Methodological Pronouncements on applying Law no. 76/2002 regarding the unemployment insurances system and stimulating employment;
- The draft law on amending and supplementing Law no. 53/2003 – the Labour Code;
- Government Emergency Ordinance no. 14/2014 on supplementing Art. 176 of Law no. 571/2003 on the Fiscal Code, regarding Diesel fuel excise levels;
- The dividend tax and its effect on the capital market;
- A draft agreement between CECCAR and the National Agency for Fiscal Administration (ANAF);
- The accounting treatments and reporting requirements provided by the draft order for the approval of the Accounting Regulations regarding separate annual financial statements and consolidated annual financial statements;
- The draft regulation for approving the Accounting Regulations consistent with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector;
- Tax on constructions;

- The status and competences of expert accountants involved in European projects;
- A draft document to the attention of the Ministry of Public Finance regarding IMI settlements;
- The amendments of the Accounting Regulations consistent with the European directives approved by the Order of the Minister of Public Finance no. 3055/2009 (the Order of the Minister of Public Finance no. 2067/2013);
- The accounting treatment for green certificates and accounting for the operations related to connecting users to public utility networks;
- Legislative solutions for mergers;
- Mismatches between tax pronouncements and the Fiscal Code;
- The modernization of cash registers for all economic agents;
- The draft pronouncements on determining taxable revenues for micro-entities;
- The recognition of rent revenues for grace period contracts;
- The VAT treatment for real estate put up for auction by executors;
- Defining dividends and the scope of dividend taxes – capital reduction operations;
- Clarifying the algorithm for determining the value of interest expenses and of the net loss from exchange differences;
- Fiscal consequences of starting and operating a business in Romania;
- The Order of the Minister of Public Finance no. 1898/2013 on amending and supplementing the Accounting Regulations consistent with the European directives, approved by Order of the Minister of Public Finance no. 3055/2009, on accounting for the replacement of spare parts in property, plant and equipment;
- Amending and supplementing Accounting Law no. 82/1991.

Another three position papers were also finalized and submitted to the Ministry of Public Finance: **The fiscal treatment applicable to dividends as of 1st of January 2014 through the amendment of the Fiscal Code by Government Emergency Ordinance no. 102/2013, Recommendations on implementing in Romania the Directive 2013/34/EU of the European Parliament and of the Council and Updating the legislative framework on accounting for merger, spin off, dissolution and wind up operations related to trading companies, as well as the withdrawal or removal of an associate from a trading company and the clarification of the related fiscal legislation.**

The management of the Body makes continuous efforts towards the amendment of legal provisions in the interest of CECCAR members.

10

EVENTS

A reference year for the activity of the Body of Expert and Licensed Accountants of Romania, 2014 was marked by important actions both at central and territorial level.

As in the previous years, in 2014 considerable focus was placed on stability and continuity through the application of CECCAR strategy and concrete actions that were aimed at and accomplished in order to support our members and the profession, and consolidate CECCAR's capacity to continue to ensure the consistent and effective application of our three fundamental commandments: **Education**, **Quality of Services** and **Ethics**. All these actions were backed by the professional maturity that features the cooperation and the communication on all economic and business lines, as well as on the academic and institutional ones.

These have resulted in the transposition of CECCAR's actions into programs dealing with the effective management of the profession, the consolidation and development of all professional, material and spiritual values that are part of CECCAR architecture; in particular, this relates to programs that deal with training, preserving and developing professional skills, the scope and efficient operation of the activities undertaken by professional accountants, technical and professional standards, the development of the professional infrastructure, namely our branches activity, the resolutions concerning the melioration of professional conduct and, last but not the least, scientific research in the field of accounting.

In 2014, CECCAR focused, and continues to focus, on the development of a profession capable to meet the public interest and to contribute to economic progress, supporting and promoting high-quality accounting practices through a particular care regarding the competence, skills and ethics of those involved in the profession.

The actions organised in 2014 under the aegis of CECCAR took place with a regard to guild solidarity, expressed in various forms, and were based on the cooperation, mutual trust and common interests of the representatives of the business environment, professional accountants and government bodies, in order to ensure economic and social development, in accordance with the public interest.

The unity and professionalism of our members were the values that contributed and supported the continuity of all of the professional body's activities. The accomplishments of 2014 were made possible because the CECCAR trademark is defined by taking responsibility regarding all that consists in **good practices**, as serving the public interest is the major characteristic of the accounting profession, and the education of professional accountants represents a requirement of a market economy.

The remarkable efforts of the executive structures, in cooperation with the elected structures, allowed for the orientation of the accounting profession and its adaptation to the needs of the accounting services beneficiaries, also ensuring a positive evolution for this liberal profession.

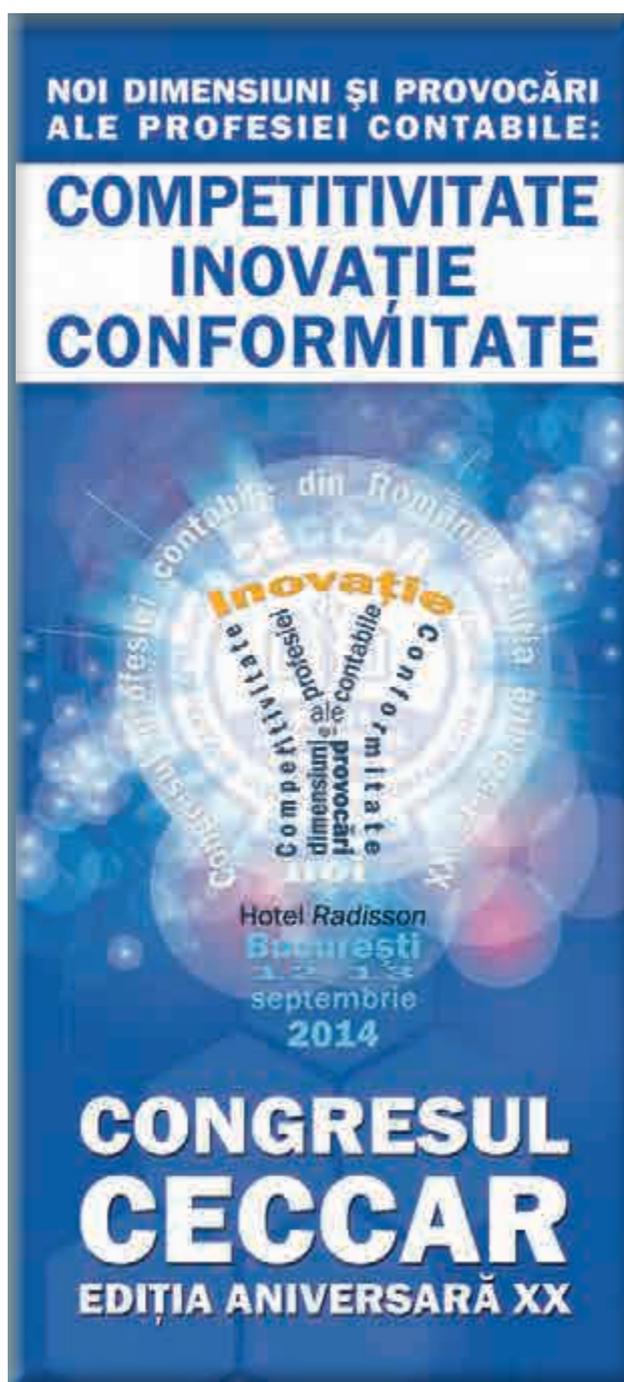
The entire activity undertaken by CECCAR in 2014 was integrated in the strategic guidelines promoted by the Body. The means of accomplishing the targets of the 2014 Action Program highlights an enhancement and a better awareness of the executive and elected structures responsibilities in the management of the accounting profession.

The Congress of the Romanian Accounting Profession

According to tradition, the **Congress of the Romanian Accounting Profession** is a large-scale event, organised every two years, attended by national representatives and guests from international professional organisations.

These conferences address various topics that are highly important to the economic life of the country, and professional accountants are invited to take part in these debates. Many of the issues on the agenda, solved by resolutions agreed upon by the congresses, have been settled, determining the progress of the Romanian society.

The year of 2014 was marked by the 20th anniversary edition of the Congress of the Romanian Accounting Profession, organised by CECCAR on 12-13 September at the Radisson Blu Hotel, Atlas Hall, in Bucharest. The main topic of the Congress was *New dimensions and challenges of the accounting profession: Competitiveness, Innovation and Compliance*, a topic that offered the opportunity for accounting specialists all over the world to debate new and old professional concerns from new angles in a globalised context.



The festive moment of the 20th Congress of the Accounting Profession was an opportunity to honour the memory of those who fought for and supported the creation and the re-establishment of the Body and those who have ensured its proper organisation and functioning, the CECCAR constituents, who have guaranteed its unity and provided the strength and resources for implementing the Romanian accounting profession's strategies for development during more than 90 years of existence, as well as all those who have dedicated themselves to the maintenance and the development of the accounting profession.

The evocative speeches paid sincere and emotional respects to the memory of Professor Marin Toma, PhD, the former CECCAR President.

The anniversary edition of the Congress was attended by a large number of professional accountants who work in practice, industry, trade, administration, education and other fields in the Romanian economy and also by representatives from significant organisations at global, European and regional level.



The works of the Congress were structured into five sessions. The main topics thereof were as follows: *New dimensions and challenges of the accounting profession; Competitiveness, Innovation and Compliance; The creative role of the accounting profession in the life of an entity; The European and national context of implementing the European Parliament and Council's Directive 34/2013. Solutions for Romania; Innovation and the use of information technology for delivering qualitative professional services; Expectations and challenges in the evolution of the accounting profession.*

Prestigious guests from abroad and well-known specialists who work for professional organisations, in the educational system and other areas of activity from our country have delivered speeches and presentations during the works of the Congress. We mention the following: André Killesse – FEE President; Philippe Arraou – CILEA Vice-President; Alexandra Chin – ACCA Vice-President; William Nahum – President of l'Académie des Sciences et Techniques Comptables et Financières de France; Paul Thompson – Director, Global Accountancy Profession Support, IFAC; Conf. Univ. Ovidiu Constantin Bunget, PhD – President of CECCAR Timiș Branch; Univ. Prof. Adriana Tiron Tudor, PhD – CECCAR representative in IFAC IPSAS Board; Ecaterina Necșulescu – CECCAR Honorary President; Camelia Malama – CECCAR Vice-President; Anca Bogorin – CECCAR Vice-President.

Also, the event was attended by Anca Laura Ionescu – representative of the Minister Delegate for SMEs, Business Environment and Tourism; George Constantin Păunescu – President of the General Union of Romanian Industrialists (UGIR); Ovidiu Nicolescu – President of the National Council of Small and Medium Sized Private Enterprises of Romania (CNIPMMR); Mihai Ionescu – President of the Export Council in Romania; Arin Avramescu – member of the National Association of Romanian Bars (UNBR), who delivered a message on behalf of Mr. Gheorghe Florea, UNBR President; representatives of the Public Interest Oversight of the Accounting Profession Council (CSIPPC) and of the Ministry of Public Finance.



According to CECCAR's Superior Council Decision no. 313 from 7 April 2014, the Medal of the 20th anniversary edition of the Congress of the Romanian Accounting Profession was awarded as a token of recognition and appreciation for those who contributed to the development of the accounting profession and the good practices on international and national level.



International, European and national participants, as well as those from CECCAR's branches conveyed their messages and appreciations to the Body.

The Congress is a well-known large-scale event organised by the Body of Expert and Licensed Accountants of Romania.

The National Small and Medium Practices (SMPs) Forum

On 11 September 2014, Rin Grand Hotel was the venue of the 5th edition of the **National Small and Medium Practices Forum**, which the Body of Expert and Licensed Accountants of Romania organised on the topic *Innovation and quality – new valences for SMPs*.

The opening speech of the National Small and Medium Practices Forum was delivered by Ecaterina Necșulescu, President of CECCAR's SMP Committee and Honorary President of the Body, who highlighted that between SMEs and SMPs there always



was and will always be a *strong link, an interdependency, because we are the ones who satisfy the demands of the entrepreneurs, first of all regarding accounting and consultancy, and we are the trustworthy consultants of any SME, as we like to call ourselves and as the entrepreneurs started to perceive us.*

The Forum debates focused on identifying the challenges faced in the near future by professional accountants and the qualities and skills that every professional should have in order to answer these challenges.

At the end of the National Small and Medium Practices Forum, as a token of the national appreciation and recognition of the professional performances reached by CECCAR members in the activity unfolded during 2013, the awards ceremony for the best CECCAR member firms took place during the gala event the **National Top of the Best CECCAR Member Companies**, the 4th edition, where 25 companies were awarded.



The National Day of the Romanian Accountant

On 21 September 2014, the **National Day of the Romanian Accountant** was organised under the patronage of the CECCAR branches, an event which reached its 10th anniversary edition.

The important celebration of Romanian accountants takes place every year at national level, on the 21st of September – which was declared the National Day

of the Romanian Accountant in 2004, during CECCAR's National Conference, its first edition being organised on 21 September 2005.

On this occasion which celebrates the accounting profession, 684 Certificates of Merit were awarded to professional accountants who stood out due to the remarkable results obtained in their activity.

Also, awards were given to 230 CECCAR member



firms that were on the first three places of the **Local Top of the Best CECCAR Member Companies**.

The events, which took place in 45 territorial locations, had the purpose of promoting the image, interests and role of the professional accountant in a competitive market-based economy, in which he plays an essential part.

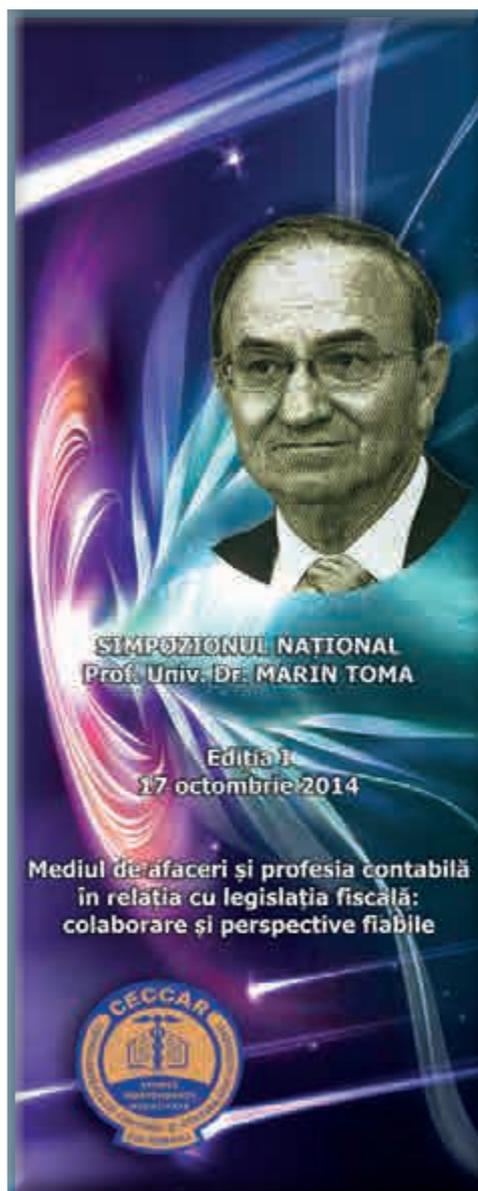
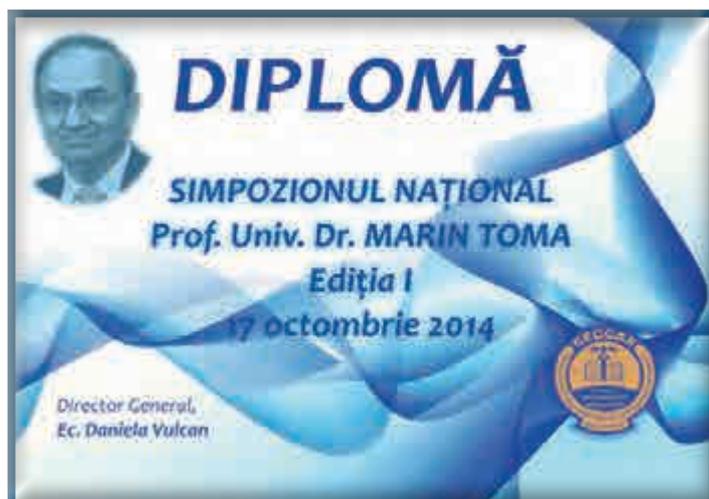
National Symposium “Professor Marin Toma, PhD”

On 17 October 2014, CECCAR organised the first edition of the **National Symposium “Professor Marin Toma, PhD”**, with the topic *The business environment and the accounting profession in relation with tax legislation: collaboration and reliable perspectives*. The event, a CECCAR brand of high-quality professional celebration, is related to Professor Marin Toma, PhD, former President of CECCAR, a body that represents the most powerful professional organisations in our country and in Central and Eastern Europe.

The event, which took place at the Children’s National Palace in Bucharest, was chaired by CECCAR’s interim President, Univ. Prof. Robert Aurelian Şova, PhD, and gathered a number of specialists in the fields of accounting, economy and tax. The symposium was structured under three sessions, as follows: *Improving the relation between the taxpayer and ANAF, The cooperation between the business environment, the Ministry of Public Finance and the expert accountants and Identifying solutions for the consistent application of the legislation and creating a stable legal framework*.

On this occasion, all participants were awarded related diplomas.

Specialists in the field with high professional



education have conveyed their ideas concerning the topics discussed. Carmen Silvia Soare, representative of the National Agency for Fiscal Administration, Adriana Badiu, expert accountant and entrepreneur, Florin Dobre, General Secretary of the International Fiscal Association, and Camelia Malama, CECCAR Vice-president, took the floor during the first edition of the National Symposium “Professor Marin Toma, PhD”.

11

YOUNG EXPERT ACCOUNTANTS' CLUB IN ROMANIA



Created in 2013 as a soul project at the CECCAR's General Director initiative, Ec. Daniela Vulcan-Văduva, under the patronage of the Body of Expert and Licensed Accountants of Romania, the **Young Expert Accountants' Club in Romania (CTECCR)** proved to be a real success, becoming a community in which young professional accountants and individuals who wish to become expert accountants find answers and guidance on issues that represent professional challenges and opportunities, facilitating at the same time the development of a communication and information

network and a channel for sharing experiences, which are essential for a successful career in the accounting field.

In 2014, the Young Expert Accountants' Club in Romania had an intense activity and succeeded in becoming an assistance and information instrument dedicated to promoting and developing young Romanian professional accountants, its main purpose being the involvement in the development of young graduates over the first years of their professional activity.

The **"Măreție și Talent"** Foundation had a significant contribution to the activities conducted by the Club. In the context of its objectives to support young people and the strong assertion of professionals from all fields, the foundation actively engages in and supports the promotion of the young expert accountants' image, with the aim of changing the way accountants are perceived in the social and economic environment in Romania.

The Young Expert Accountants' Club in Romania serves the interests of approximately 9,000 expert accountants and 3,000 CECCAR trainees under 40, among whom 2,150 continuously follow the Club's activity on its official Facebook page.

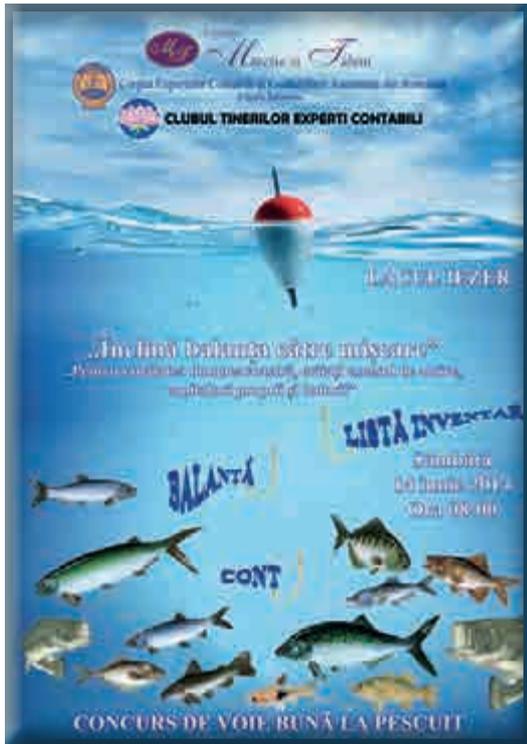


In 2014, the Young Expert Accountants' Club in Romania organised a series of professional and social events, such as:

- The event **Recommendations at the closure of the financial year** was organised on 27 February 2014 in Bucharest, as an interactive platform of communication for which the starting point was the presentation of a professional with recognised experience, Adriana Badiu, expert accountant and entrepreneur.



- The informational and personal development seminar **Be active, prepare your way for success!** was organised on 21 March 2014 in Bucharest, at the University of Economic Studies, where members of CTECR met with students from the University of Economic Studies to share their concerns related to their training and entry into a profession which generates great satisfaction.



- In May 2014, the action **Spring cleaning – education for cleaning your town**, organised across the country under the motto *Collecting*



garbage is not demeaning, brought together hundreds of participants, members or not, thus demonstrating the Club's involvement in social events, in addition to the professional ones.

- On 24-25 May 2014, the **Opt for sport** event took place in Bucharest, where young members were challenged to a series of sporting events, including a cycling race from the CECCAR central headquarters to the Carol Park, road running and other multiple sporting competitions, such as volleyball, tennis, basketball, and chess.
- On 14 June 2014, still under *Opt for sport* motto, the CECCAR Ialomița Branch organised an event which included the first edition of the **Fishing for relaxation contest**, on the lezer Lake.
- On the 4th of July 2014, in Ploiești, the **Together to another level** event was organised with business networking purposes, in cooperation with the Prahova Chamber of Commerce and Industry. Young members had the opportunity to meet and share their professional experiences at this informal meeting.
- On 11 September 2014, the second edition of the contest **Miss Expert Accountant – even more amazing...** took place in Bucharest. The young expert accountant Aura Georgiana Nica from Dâmbovița demonstrated, during a wonderful and emotional night, that she deserves to become the ambassador of young expert accountants, obtaining the title of Miss Expert Accountant 2014.
- On the 2nd of October 2014, the CECCAR Ialomița Branch



organised in Slobozia, in cooperation with CTECR, as part of the European Week of SMEs, a symposium with the topic **Applying incentive measures for SMEs, from theory to practice**, an event that brought together representatives from the local business environment, young expert accountants and entrepreneurs, representatives of local and regional authorities and other professional accountants.

- On 27 November 2014, the regional **CTECR – North-East Region** centre was opened in Iași, with the participation of approximately 230 young expert accountants and trainees. The guests to this event included local personalities, representatives of the banking sector, and business people. On the same occasion, the CTECR team expanded to include Maria Mirabela Miron, a young expert accountant and successful business woman, who was nominated as project manager in Iași.
- An online **Facebook Contest** was hosted in December 2014. On that occasion, CTCER awarded a prize to its 2,000th friend on its official page. Organising this contest increased the number of online friends by 10% in one day.
- In December 2014, the event **Together for a better future! Be Santa Claus for a family in the village Urșița, Iași County** was organised in Iași as a part of the fund raising campaign of the **A chance for everyone Association**.

All those events were extremely popular among young expert accountants because they had the opportunity to interact with representatives from the economic and social environment, to share their professional experiences, to find answers and opinions for professional challenges and opportunities, and to engage in the life of the community.



12

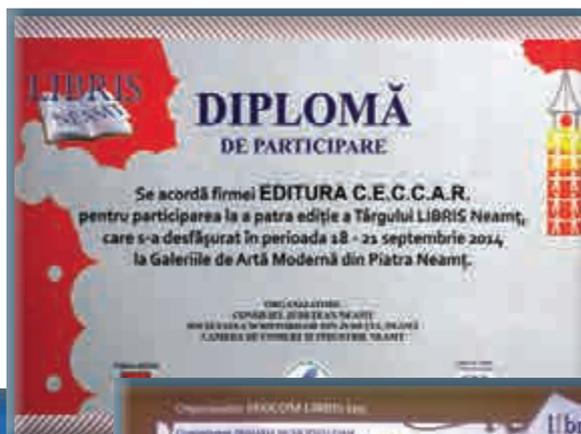
PUBLISHING HOUSE AND IMAGE

The CECCAR Publishing House focuses on issuing publications (magazines, books, brochures etc.) for professional accountants. The main activities undertaken by the CECCAR Publishing House are:

- Publishing the *Business Accounting, Expertise and Audit* magazine;
- Publishing the legislative supplement *Memento Lex* and other supplements to the magazine;
- Publishing books, booklets, catalogues;
- Organising and participating in book fairs.

The traditional campaign to attend book fairs by the CECCAR Publishing House also continued during 2014, with 18 participations at book fairs and exhibitions.

Some of the publications issued by the CECCAR Publishing House were launched at these book fairs: *A Guide to Bookkeeping and Preparing Separate Financial Statements Compliant with the IFRSs for Trading Companies with Securities Admitted for Trading on a Regulated Market*, and



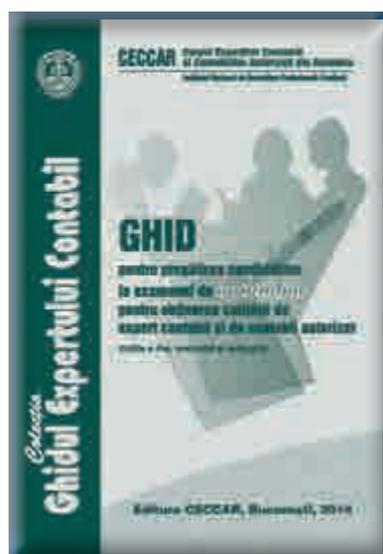
the *Handbook of International Public Sector Accounting Pronouncements 2013*, as well as book presentations for the *Complete Practical Guide of the "VAT upon Collection" System* and *Guide for the Application of the National Accountancy Regulations Regarding Agriculture*.

Specific debates for the accounting profession also took place during 15 roundtables with topics based on CECCAR's publications, with the purpose of sharing technical information to the members.

The organisers of the events rewarded the Publishing House for attending book fairs and exhibitions during 2014 with six diplomas.

Overall, during 2014, the publishing and advertising activities were undertaken both at a central and local level, according to the measures approved by the CECCAR management for the development of these activities, which contributed substantially to improving public perception regarding the accounting profession and services rendered by professional accountants.

Several books were published during 2014, such as *Professional Standard no. 35: Accounting Expertise*, 6th edition, revised and updated, 1921-2014: *20 Editions of the Congress of the Romanian Accounting*



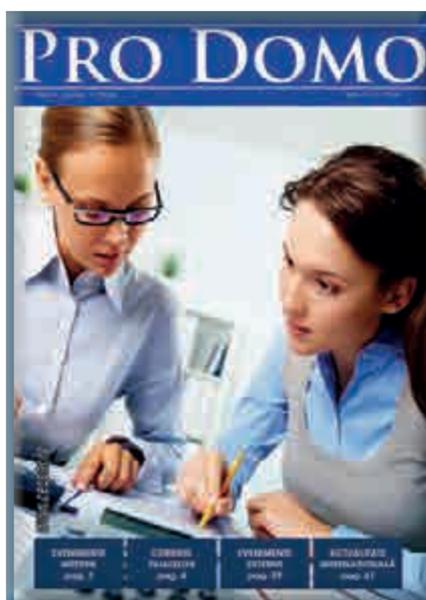
Profession, Guide for the Preparation of Candidates for the Access to Training Examination in Order to Obtain the Expert and Licensed Accountant Qualification, 3rd edition, revised, Guide for the Preparation of Candidates for the Skills Exam in Order to Obtain the Expert and Licensed Accountant Qualification, 2nd edition, revised and supplemented, From the Works of the 20th Congress of the Romanian Accounting Profession, and The Book of the National Day of the Romanian Accountant 2014. The International Financial Reporting Standards



2014 were uploaded on eIFRS and the two volumes of IPSAS 2013 were also published on CD. Other booklets were also published in Romanian and English, such as the CECCAR's Annual Report 2013 and CECCAR's Presentation Brochure.

The publication of CECCAR's magazine *Business Accounting, Expertise and Audit*, and of the legislative supplement *Memento Lex* was also continued in 2014, both being published monthly in 4,000 copies, in accordance with the resolution of the National Conference on the 2nd of April 2011.

Considering the objective of the Body of Expert and Licensed Accountants of Romania to improve communication with its members, the digital newsletter *Pro Domo* continued to be published, with the purpose of sharing information with those interested in the activity of CECCAR. This newsletter informs CECCAR members on legislative news updates and presents the most important events that have been organised both at local and central level.



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INTERNATIONAL ACTIVITY

The international activity is one of the basic pillars of CECCAR, based on the fact that the CECCAR management recognizes that in a highly globalized and inclusive world, in order to progress, the profession cannot afford to be isolated.

The main purpose of CECCAR's international activity has been to allow Romanian professional accountants to keep in touch with events and ideas influencing the profession beyond our country's borders.

This issue is reflected in the decisions, actions and endeavours conducted in 2014 for the purpose of consolidating the close international relations already in place and establishing new ones, and of bringing added value to the profession by applying the relevant international good practices.

The involvement of CECCAR's representatives, ambassadors and management in international events and projects had quick results and determined the translation of various documents for internal use, such as: the *International Financial Reporting Standards 2014* (translation and revision of the latest standards), International Education Standards IES 2, IES 3 and IES 4, International Standard of Quality Control ISQC 1, IFAC Code of Ethics, *Guide to Review Engagements*, *IESBA Exposure Draft Addressing the Long Association of Personnel (with an Audit or Assurance Client)*, *Implementation of the New Statutory Audit Framework*, articles, specialized publications, and other documents issued by national and international bodies of interest for the Romanian professional accountants, etc.



CECCAR's membership in international and European bodies was constantly capitalized by the active participation of CECCAR representatives, attending meetings, through electronic correspondence and/or participation in IFAC and FEE conferences calls. Specifically, CECCAR participated at 16 meetings and 11 conferences calls of the FEE working groups, and seven meetings and two conferences calls of the IFAC structures.

Throughout 2014, we carried out activities in order to develop our relations with the International Federation of Accountants, the Federation of European Accountants, the International Accounting Standards Board (IASB), the European Commission (EC), and UNCTAD-ISAR.

Also, during 2014, a series of activities were carried out as a result of the cooperation agreements signed by the Body with corresponding bodies, but also with regional organisations. Thus, a series of activities were conducted, such as seminars, conferences and workshop meetings, exchanges of information and materials. For this purpose, we corresponded with the professional bodies from Georgia and India, who expressed their interest in signing such a cooperation agreement.

It is important to note that CECCAR's constant involvement in the international activity was possible by maintaining an optimal balance between the technical,



rational and diplomatic management of the agenda items and by defending the profession's legitimacy in order to achieve this endeavour.

During 2014, CECCAR management and representatives attended numerous events including council meetings / general assemblies, conferences, seminars, and workshops of regional and international organisations of the profession in which CECCAR is a member

or with which CECCAR maintains a good cooperation, such as IFAC, FEE, the World Bank, the Organisation for Economic Co-operation and Development, Fédération Internationale des Experts-comptables Francophones, the European Commission, Ordre des Experts-comptables of France, the Institute of Certified Public Accountants in Israel, etc.



The main purpose of CECCAR's international activity has been to allow Romanian professional accountants to keep in touch with events and ideas influencing the profession beyond our country's borders.

14

FINANCIAL STATEMENTS

The main balance sheet indicators for the financial year that ended at 31 December 2014, in absolute amounts, are the following:

- thousands lei -

Fixed assets	114,825
Inventories	1,654
Receivables	18,181
Cash on hand	462
Adjustment Accounts (A)	82
TOTAL ASSETS	135,204
LIABILITIES	6,489
Adjustment Accounts (P)	14,317
MEMBERSHIP FUNDING	114,398



15

INDEPENDENT AUDITOR'S REPORT

1. We have audited the annual financial statements of the Body of Expert and Licensed Accountants of Romania (CECCAR) for the financial year that ended on 31 December 2014 concerning:

- lei -

Total revenues	49,625,438
Total expenses	34,986,757
Result	14,638,681
Total capital	114,398,409

The accounting regulations applicable for preparing the financial statements of the Body of Expert and Licensed Accountants of Romania were the Accounting Regulations for not-for-profit legal entities approved by Order of the Ministry of Economy and Finance no. 1969/2007.

The CECCAR management is responsible for these financial statements. Our responsibility is to express an opinion, based on the audit, regarding these annual accounts.

2. We have audited the financial statements mentioned in paragraph 1 in accordance with the International Standards on Auditing (ISAs). Those standards require that we plan and perform the audit so that to obtain all information and explanations we consider necessary to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes the test-based review of underlying documents for the amounts disclosed in the financial statements. An audit also includes evaluating the accounting principles used and the management's significant estimates, as well as evaluating the overall presentation of the financial statements. We consider that the audit we have performed provides a reasonable basis for our opinion.

3. In our opinion, the above-mentioned financial statements reliably reflect the wealth, the financial position and the financial performance of the Body of Expert and Licensed Accountants of Romania as of 31 December 2014 according to the Accounting Regulations for not-for-profit legal entities approved by Order of the Ministry of Economy and Finance no. 1969/2007, and the provisions of the Organisation and Functioning Regulations of the Body of Expert and Licensed Accountants of Romania.

Financial auditor

C.I.P.L. EXPERT AUDIT SRL

Bucharest, 12 March 2015



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TERRITORIAL BRANCHES
OF CECCAR

Branch	Address	Telephone/ Fax
ALBA	Piața Consiliul Europei nr. 2, bl. 32E, parter, ap. 19, Loc. Alba Iulia, Jud. Alba, cod 510096	0258/81.29.25 0258/81.08.58
ARAD	Bdul Revoluției nr. 92, Loc. Arad, Jud. Arad, cod 310025	0257/28.19.60 0257/28.19.61
ARGEȘ	Str. Constantin Brâncoveanu nr. 4, Loc. Pitești, Jud. Argeș, cod 110036	0248/21.52.56
BACĂU	Str. Vasile Alecsandri nr. 43, Loc. Bacău, Jud. Bacău, cod 600011	0234/57.67.92 0234/58.99.68
BIHOR	Str. Independenței nr. 29, bl. A9, et. 1, Loc. Oradea, Jud. Bihor, cod 410067	0259/43.79.29 0259/41.97.41
BISTRIȚA-NĂȘĂUD	Str. I.L. Caragiale nr. 25, et. 2, ap. 2, Loc. Bistrița, Jud. Bistrița-Năsăud, cod 420049	0263/21.37.13
BOTOȘANI	Str. Calea Națională nr. 69F, Loc. Botoșani, Jud. Botoșani, cod 710006	0231/53.21.12
BRAȘOV	Str. Roșiorilor nr. 34, Loc. Brașov, Jud. Brașov, cod 500102, OP 2, CP 33	0268/51.08.48 0268/31.97.77
BRĂILA	Bdul Al. Ioan Cuza nr. 3, bl. Ceprohart, et. 5, Loc. Brăila, Jud. Brăila, cod 810019	0239/61.98.12 0239/61.98.17
BUCUREȘTI	Intrarea Nestorel nr. 4-6, sector 4, București, cod 040295, OP 53	021/320.00.39 021/320.00.81
BUZĂU	Str. Clujului nr. 32, Loc. Buzău, Jud. Buzău, cod 120154	0238/71.38.29 0238/71.38.39
CARAȘ-SEVERIN	Str. G.A. Petculescu, bl. 7, sc. 1, ap. 1, Loc. Reșița, Jud. Caraș-Severin, cod 320060	0255/22.07.21
CĂLĂRAȘI	Str. Victor Babeș nr. 2, Loc. Călărași, Jud. Călărași, cod 910013	0722/31.71.10 0242/31.87.24
CLUJ	Str. Eroilor nr. 2, Loc. Cluj-Napoca, Jud. Cluj, cod 400129	0264/43.03.73
CONSTANȚA	Str. Cuza Vodă nr. 29, Loc. Constanța, Jud. Constanța, cod 900675	0241/61.20.79 0241/61.20.81
COVASNA	Str. Ciucului nr. 95, Loc. Sfântu Gheorghe, Jud. Covasna, cod 520095	0740/14.82.74 0267/32.33.24
DÂMBOVIȚA	Str. Gimnaziului nr. 82, Loc. Târgoviște, Jud. Dâmbovița, cod 130017	0245/22.00.16
DOLJ	Str. Nicolaescu Plopșor nr. 4A, Loc. Craiova, Jud. Dolj, cod 200733	0351/40.83.01 0251/41.22.13
GALAȚI	Str. Maior Iancu Fotea nr. 3, bl. L, sc. 1, et. 1, Loc. Galați, Jud. Galați, cod 800017	0236/41.04.70 0336/81.51.42

Branch	Address	Telephone/ Fax
GIURGIU	Str. Vlad Țepeș, bl. C2, parter, Loc. Giurgiu, Jud. Giurgiu, cod 080092	0246/23.15.14
GORJ	Str. Alexandru Vlahuță nr. 3A, Loc. Târgu-Jiu, Jud. Gorj, cod 210163	0253/21.45.04 0253/21.45.05
HARGHITA	Str. Harghita nr. 11, Loc. Miercurea Ciuc, Jud. Harghita, cod 530151	0266/31.55.61
HUNEDOARA	Bdul 22 Decembrie nr. 69, Loc. Deva, Jud. Hunedoara, cod 330167	0254/21.72.11 0254/21.46.58
IALOMIȚA	Str. Stejarului nr. 2, Loc. Slobozia, Jud. Ialomița, cod 920073	0243/21.32.97
IAȘI	Str. Barbu Lăutaru nr. 1, Loc. Iași, Jud. Iași, cod 700399	0232/21.67.16 0232/26.45.84
ILFOV	Str. Mihai Eminescu nr. 6, bl. R5, sc. A, ap. 8, Loc. Buftea, Jud. Ilfov, cod 070000	021/352.94.20
MARAMUREȘ	Str. Victor Babeș nr. 4A, Loc. Baia Mare, Jud. Maramureș, cod 430112	0262/22.04.30 0262/25.04.27
MEHEDINȚI	Str. Antoniniei nr. 3, Loc. Drobeta-Turnu Severin, Jud. Mehedinți, cod 220125	0252/33.00.42 0252/33.00.43
MUREȘ	Str. Marton Aron nr. 14, Loc. Târgu-Mureș, Jud. Mureș, cod 540058	0265/26.53.12 0265/26.87.98
NEAMȚ	Aleea Caișilor nr. 9, bl. 14, parter, ap. 1-2, Loc. Pietra Neamț, Jud. Neamț, cod 610013	0233/23.33.60
OLT	Str. Păcii nr. 3, bl. 3, sc. A, ap. 3, Loc. Slatina, Jud. Olt, cod 230007	0249/41.65.06
PRAHOVA	Str. I.H. Rădulescu nr. 4A, Loc. Ploiești, Jud. Prahova, cod 100311	0244/52.31.75 0244/51.22.68
SATU MARE	Str. Rândunelelor nr. 3, Loc. Satu Mare, Jud. Satu Mare, cod 440049, OP 5, CP 515	0261/80.60.20 0261/71.22.06
SĂLAJ	Str. Maxim Gorki nr. 31A, Loc. Zalău, Jud. Sălaj, cod 450054	0260/61.61.90 0260/61.10.88
SIBIU	Șos. Alba Iulia nr. 12, Loc. Sibiu, Jud. Sibiu, cod 550018	0269/21.83.36 0269/21.20.77
SUCEAVA	Str. Mihai Eminescu nr. 10, spațiul U10, Loc. Suceava, Jud. Suceava, cod 720183	0230/22.22.36
TELEORMAN	Str. Negru Vodă nr. 127 bis, Loc. Alexandria, Jud. Teleorman, cod 140043	0247/31.18.25 0247/31.56.20
TIMIȘ	Str. Moise Nicoară nr. 21, Loc. Timișoara, Jud. Timiș, cod 300314	0256/20.48.84 0256/20.48.54
TULCEA	Str. Sălciilor nr. 2, Loc. Tulcea, Jud. Tulcea, cod 820048	0240/51.36.45
VASLUI	Str. Traian, bl. 245, sc. A, parter, ap. 4, Loc. Vaslui, Jud. Vaslui, cod 730204	0235/31.59.09 0235/31.53.62
VÂLCEA	Str. Antim Ivireanu nr. 59, Loc. Râmnicu Vâlcea, Jud. Vâlcea, cod 240108	0250/73.58.60 0250/70.29.12
VRANCEA	Str. Scarlat Târnăvitu nr. 5, Loc. Focșani, Jud. Vrancea, cod 620114	0237/62.37.95 0237/62.38.12

The Body of Expert and Licensed Accountants of Romania

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