



## Accounting and Auditing Services 2023

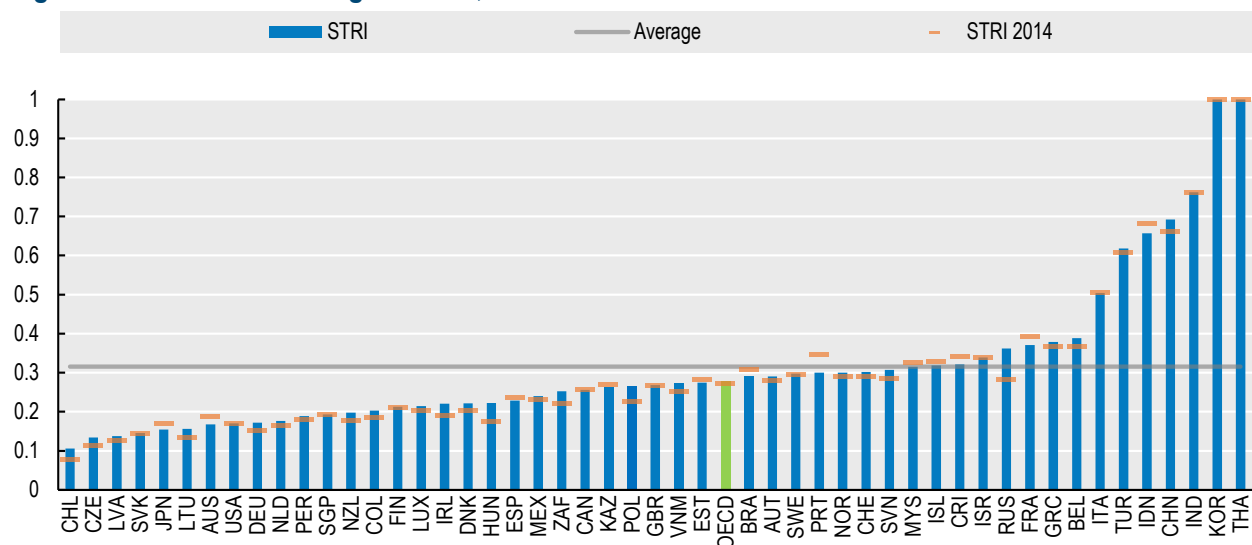
### Key findings

- The average 2023 STRI in the accounting services sector is 0.32 out of a maximum of 1 (most trade restricted), indicating a relatively high overall level of restrictiveness. However, individual country scores diverge considerably, ranging between 0.11 and 1.00.
- The best performing countries in the sector are Chile, Czechia, and Latvia. Most reforms in 2023 were recorded in Spain and Australia.
- In this sector, barriers related to restrictions to the movement of people are most prominent in OECD economies, amounting to 40% of all restrictions. In non-OECD economies, barriers related to restrictions on foreign entry are relatively more prominent (48% of all restrictions).
- OECD estimates suggest that halving the distance to best practice in this sector is associated with a reduction in the costs of cross-border trade in accounting services between 7% and 22% for the average country included in the STRI database.

The STRI covers accounting, auditing and book-keeping services (ISIC Rev 4 code 692). The international market for these services is dominated by a handful of corporations characterised by a high degree of concentration, organised as a network, and generally owned and managed independently with presence in a large number of countries.

The 2023 STRIs in the accounting services sector range between 0.11 and 1.00, with a sample average of 0.32 (Figure 1). There are 36 countries below and 14 countries above the average. The best performing countries in the sector are Chile, Czechia, and Latvia.

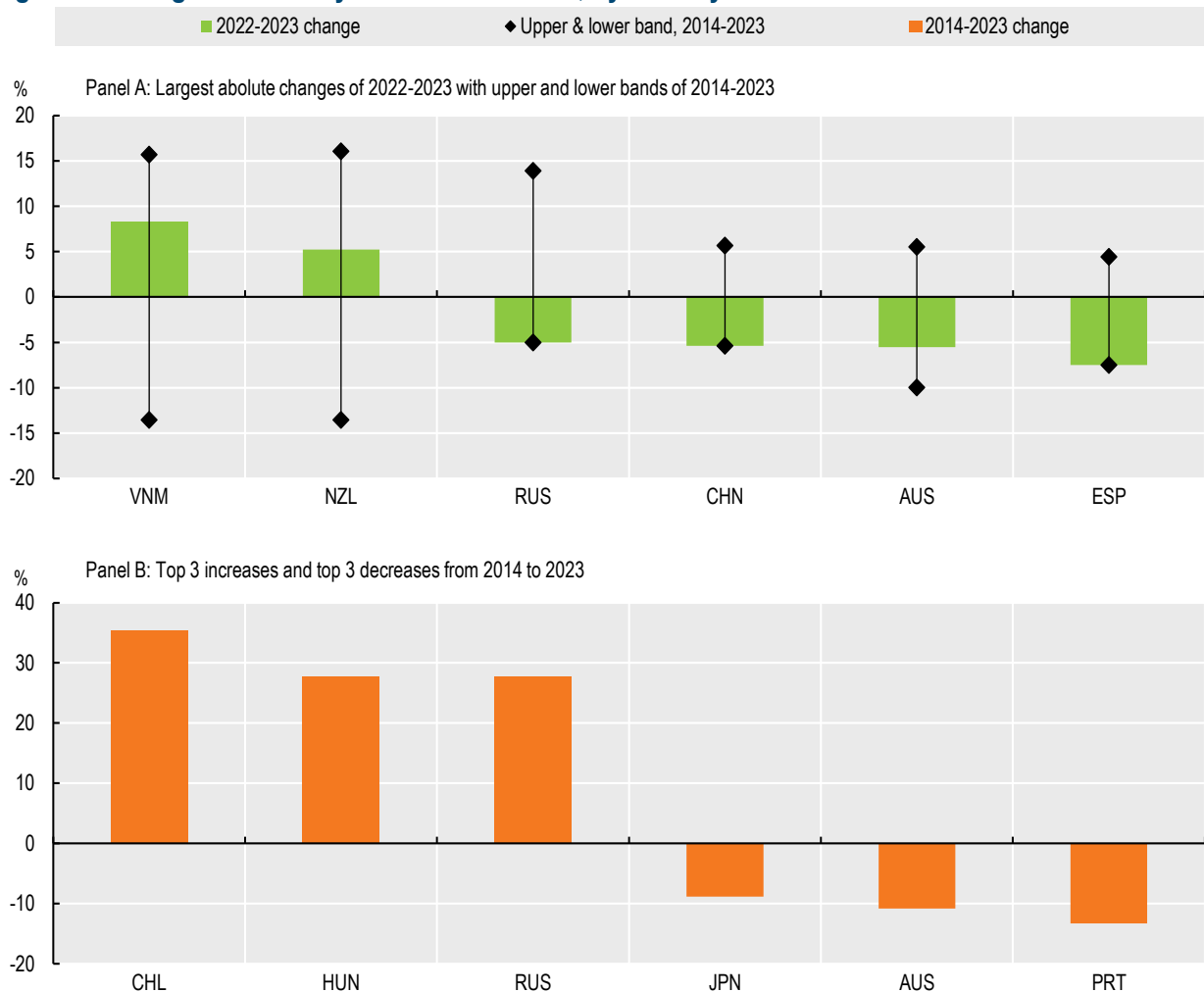
Figure 1. STRI in accounting services, 2023



Note: The STRI indices take values between zero and one, one being the most restrictive. The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD countries, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russian Federation, Singapore, South Africa, Thailand, and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.  
Source: OECD (2023). STRI database.

Several countries introduced regulatory changes affecting the STRIs in 2023 and more so since 2014 (Figure 2). In 2023, the STRIs in this sector saw the biggest changes in Viet Nam (8%), New Zealand (5%), the Russian Federation (-5%), China (-5%), Australia (-6%), and Spain (-7%). Since 2014, on the one hand, countries that have had the strongest restrictive trends in the accounting and auditing services sector include Chile (35%), Hungary (28%), and the Russian Federation (28%). On the other hand, strong liberalisation has taken place in Japan (-9%), Australia (-11%), and Portugal (-13%).

**Figure 2. Change in the last year and since 2014, by country**



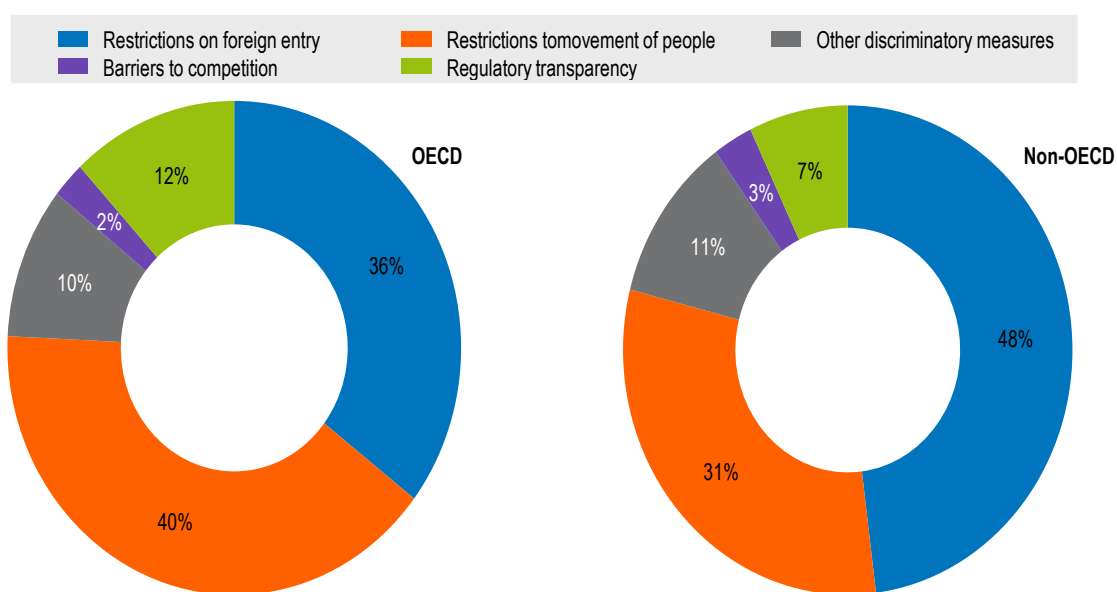
Note: Selection criteria for Panel A were based on largest absolute changes since 2022. Panel B selection is the 3 largest increases, and the 3 largest decreases in the STRI since 2014.

Source: OECD (2023). STRI database.

The measures in the STRI database are organised under five policy areas (Figure 3). Restrictions on foreign entry include barriers related to establishing and operating companies, such as foreign equity limits or requirements on board of directors and cross-border data flows. Restrictions on the movement of people cover barriers that affect the temporary entry of foreign services providers through quotas, labour market tests and short durations of stay. Other discriminatory measures include discrimination of foreign services

suppliers as far as taxes, subsidies and public procurement are concerned. Barriers to competition include information on anti-trust policy, government ownership of major firms and the extent to which government-owned enterprises are exempt from competition laws. Regulatory transparency includes information on consultations and dissemination prior to laws and regulations entering into force. It also records information on obtaining a license or a visa. In this sector, barriers related to restrictions to the movement of people are most prominent in OECD economies, amounting to 40% of all restrictions. In non-OECD economies, barriers related to restrictions on foreign entry are relatively more prominent (48% of all restrictions).

**Figure 3. STRI for accounting services by policy area in OECD and non-OECD economies, 2023**



Source: OECD (2023). STRI database.

In this sector, Korea and Thailand are fully closed to foreign firms, with an STRI index of 1.

Table 1 lists the most common restrictions identified in each policy area. Under restrictions on foreign entry, foreign equity limits are rarely used in both accounting and auditing services. Yet, many countries restrict the firms' ownership to locally-qualified professionals, particularly in auditing services. Ownership restrictions are often coupled with requirements that the majority of the board (or equity partners in the case of partnerships) and the manager of auditing firms must be locally qualified. Commercial presence is required to provide cross-border auditing services in 25 countries.

Accounting and auditing services are skilled labour intensive and subject to licensing in a number of countries. For instance, auditing is subject to a license requirement almost everywhere. Under restrictions to the movement of people, common limitations include nationality and domicile requirements to practice, and the absence of a temporary licensing system for auditing services. Local examinations for foreign professionals are also prominent in auditing services.

Under other discriminatory measures, barriers related to accessing public procurement markets for foreign tenderers remain the most common challenge. Under barriers to competition, minimum capital requirements are common as well as restrictions on advertising which is often subject to specific regulation and conditions for auditing services. Government recommendations for auditors' fees exist in seven countries while in other seven countries fees are regulated.

Under barriers related to regulatory transparency, procedural hurdles related to business visas are the most common challenges in this sector. In addition, the public consultation process for new legislative instruments falls short of best practice in 13 countries and the time prior to the entry into force of new laws is considered short in nine countries.

**Table 1. Top 5 most relevant measures by policy area, 2023**

Policy area	Measure	Countries having a restriction <sup>1</sup>
Restrictions on foreign entry	Board of directors: majority must be licensed professionals (auditing)	39
	Acquisition and use of land and real estate by foreigners is restricted	35
	Manager must be a licensed professional (auditing)	34
	Commercial presence is required in order to provide cross-border services (auditing)	25
	Equity restrictions applying to not licensed individuals or firms (auditing)	23
Restrictions to movement of people	Memo: Licence or authorisation is required to practice (auditing)	49
	A temporary licensing system is in place (auditing)	42
	Foreign professionals are required to take a local examination (auditing)	41
	Domicile required for licence to practice (auditing)	31
	Nationality or citizenship required for licence to practice (auditing)	18
Other discriminatory measures	Public procurement: Procurement regulation explicitly prohibits discrimination of foreign suppliers	43
	Public procurement: The procurement process affects the conditions of competition in favour of local firms	25
	Public procurement: Explicit preferences for local suppliers	22
	Memo: The procurement process below the value thresholds affects the conditions of competition in favour of local firms	19
	Laws, regulations or relevant standard-setter impose standards that deviate from international standards on auditing	6
Barriers to competition	Minimum capital requirements	32
	Restrictions on advertising (auditing)	14
	Fee-setting: mandatory minimum and/or maximum fees (auditing)	7
	Fee-setting: recommended minimum and/or maximum fees (auditing)	7
	Other restrictions in barriers to competition	6
Regulatory transparency	Range of visa processing time	32
	Number of documents needed to obtain a business visa	29
	Cost to obtain a business visa	15
	There is an adequate public comment procedure open to interested persons, including foreign suppliers	13
	There is a legal obligation to communicate regulations to the public within a reasonable time prior to entry into force	9

Note: The count for “memo” type of measures, which are not scored in the STRI, indicates the number of positive answers recorded for that measure across the 50 countries covered. The topmost relevant measures are selected on the basis of the following criteria: (1) most restricted horizontal measures (i.e. same answer across sectors), (2) most restricted sector-specific measures, (3) key measures, or (4) memos affecting the score of other measures through hierarchy rules.

Source: OECD STRI database (2023).

### More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)