

DVFA's answers to questions raised in appendix A of the FEE Cogito Paper entitled “The Future of Corporate Reporting – creating the dynamics for change”.

NB. We have taken liberty to answer only select questions listed in the “The Future of Corporate Reporting – creating the dynamics for change” document, and only with keywords.

Q1.5. How could technology drive and enable changes in the audience of corporate reporting?

A: We see Big Data, algorithms, Deep Learning methods and the like as the potential tools for helping investment professionals digest the host of information available.

Q2.1. Do you agree that financial statements have lost, or are losing, some of its relevance?

A: See our answer on 1.5.

Q2.2. If so, which are the key issues resulting in the declining relevance of financial statements?

A: Too many data, too little indication of materiality on the one hand. On the other hand investment professionals use company data supplied by Bloomberg, ThomsonReuters and the like.

Q2.4. How could technology assist in innovation for financial reporting?

A: See our answer on 1.5. Also, XBRL and the use of intelligent links between homepage and electronic reports would help.

Q3.1. Do you agree that the proposed CORE & MORE model could be a way forward for corporate reporting in the future? If not, why not?

A: Absolutely. Please see our statement above.

Q3.2. In which ways could the CORE & MORE help addressing the needs of a wider stakeholders' group?

A: It puts responsibility as to what sets of information users “pull” and when into the hands of users.

Q3.3. What is the role of technology in developing a CORE & MORE model?

A: See our answer on 1.5. Also happy to discuss in detail with FEE.

Q3.6. What are the main challenges and the key benefits of a parallel experimentation in the area of corporate reporting?

A: Breaking out of the dilemma of a) we report a lot of data already (companies) and b) we do not get what we ask for (investors). This, of course, is a simplification!

Q4.3. Is the current structure of dialogue between policy makers and corporate reporting constituents effective? If not, how should this be improved?

A: Typically, users do not want to get involved or refuse to take the time to engage in the stakeholder dialogues set up by standard setters and policy makers. That has been a problem for a long time with little hope for remedy. Experimentation with Core-More might be an attractive idea for investment professionals, though.

Q4.6. Do you agree with the proposal for a group to assist in identifying the main challenges and the key benefits from new innovative proposals for the corporate reporting of the future?

A: Yes, absolutely, and positively happy to engage in such a group if FEE feels DVFA's or EFFAS' involvement might be helpful.

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The Board of DVFA Society of Investment Professionals

Frankfurt, 30 Jun 2016