



Accountancy Europe
Avenue d'Auderghem 22-28
1040 Brussels

Stockholm April 27, 2020

Interconnected standard setting for corporate reporting

Thank you for the opportunity to comment on the Cogito document Interconnected Standard Setting for Corporate Reporting. Our apologies for not meeting the deadline.

The Confederation of Swedish Enterprise welcomes Accountancy Europe's initiative. Just like within the area of financial reporting, we believe that principle-based standards rather than legal requirements are more suitable for achieving comparable and high quality non-financial corporate reporting. There is a long tradition of non-financial reporting on the Swedish market and entities have different approaches to where they publish the information, integrated in the annual report or in a separate document. In our experience, both approaches work well. We have not seen any indications that separate reports have made the information difficult to find for stakeholders.

Even if a large part of Swedish preparers has chosen to use GRI as a reporting framework, the wide variety of standards and frameworks for non-financial disclosures are challenging from both a preparer and user perspective. Much is potentially to be gained with a move towards streamlining requirements and disclosure demands. However, for successful harmonization of standards the basis for convergence need to be carefully considered. We believe that an interconnected approach with a common conceptual framework for both financial and non-financial reporting is a possible way forward to meet the current overload of uncoordinated information demands from various stakeholder groups.

We are convinced that a global solution is preferable to regional standards. We fear that a temporal regional standard setting initiative may delay the efforts to achieve a long-term organizational structure for a global standard setter. Local European standards should be avoided.

Regarding governance structure and oversight, we believe that it is logical to adapt the existing global structure and setting of the IASB. An entirely new set-up, with separate bodies for financial and non-financial information as suggested by ANC is likely to give rise to overlaps and inconsistencies and to be more costly and time-consuming in the long run. The global corporate reporting structure favoured by Accountancy Europe, that assures connectivity by a common conceptual framework, is in our view the most preferable of the four approaches discussed in the paper.

Kind regards

Sofia Bildstein-Hagberg
Senior Adviser Financial Reporting