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### **Interconnected standard setting for corporate reporting**

We appreciate the timely efforts carried out by ACE by publishing the Cogito paper and ask for input.

We agree that it is time to move from market-led solutions towards standard setting for Non-Financial Information (NFI), and we agree it is getting urgent. In Denmark, we have been working with the market-led solutions for quite some time, and we have moved quite a bit over the last years with support from the leading part of Danish business life, and therefore, the subject is important for us.

We also accept that the present Covid-19-situation may cause a bit of delay in the considerations on a global standard setter (SS) for NFI. However, we believe that the sustainability issues will continue to be important, while we live under special Covid-19-conditions and after.

Therefore, we continue to support action to be taken to move towards an SS for NFI, and we support a global SS for NFI in the same way as IASB is the SS for Financial Information.

However, at the same time we will stress that moving towards an SS for NFI is urgent for Europe and likely more urgent in the European environment than in other constituencies, because the entire sustainability issue has caught the political agenda, and most importantly it has caught the public attention. There is a rapidly growing and urgent request in Europe from investors and other stakeholders for information from companies on NFI issues, and there will be a desire and genuine interest for the EU companies to report on NFI issues.

Even though we in principle support a global SS for NFI, we consider it to be difficult to establish a global SS under the auspices of the IFRS Foundation that will be supported globally in the necessary short timeframe that is available. In our opinion, it will not be acceptable with an IFRS foundation solution, where Europe does not have the appropriate influence, compared to the importance of the sustainability agenda in Europe.

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Therefore, we will support a European private sector SS, where Europe will have the appropriate influence. We believe an EU solution will be able to be timely and it can be established fast. We also believe there is an EU structure, that can be the basis for the EU architecture on the issue. We do not support the solution presented in the Cambourg paper. We prefer a private sector SS, and we believe an EU SS should be an independent, open, transparent, due process oriented organisation used to working with reporting issues in the European public interest. EFRAG is such an organization, and it is already recognized to work in this way. We expect EU NFI standards to have to be issued under an EU regulation, and assumable, in close cooperation with ESMA and the Commission. Needless to say, our support to EFRAG as the SS, is on the condition that it stays a truly independent private sector organisation with the qualifications mentioned above.

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Time is of essence. The EU solution should consequently only be seen as a temporary measure due to the need to act fast. Europe should at a later stage work towards a global solution and try to converge standards.

Finally, we would like to reiterate that we prefer a global solution, but we do not consider it achievable in the present environment. Therefore, we at this stage support a European solution as mentioned above.

Kind regards



Peter Gath  
Chairman of the Board



Charlotte Jepsen  
CEO