



## **How could supervisors of financial reporting contribute to the longer term vision**

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**Ton Meershoek Head of financial reporting supervision division**



## Short introduction

- The role of supervisors of financial reporting and the objective of enforcement of financial information
- The contribution of financial reporting supervision to:
  - the development of integrated reporting
  - the improvement of financial statements

## What is the role of supervisors of financial reporting?

- Supervisors are responsible for the enforcement of financial reporting standards
- What is enforcement?
  - Monitoring compliance with the applicable reporting framework
  - Taking appropriate measures in case of infringements
- Possible appropriate measures
  - Require a restatement
  - Require a corrective note
  - Require a correction in future financial statements of comparatives
  - Convey a written statement to the issuer about the departure

## What is the objective of enforcement of financial information?

- Objective of enforcement of financial information is to contribute to:
    - Consistent application of the relevant reporting framework
    - Transparency of relevant and reliable financial information
  
  - The enforcement of financial information will
    - Contribute to investor protection
    - Promote market confidence
    - Promote the creation of a level playing field (EU)
- ➡ contribute to safeguarding the stability of the financial system

## Is enforcement of integrated reporting possible?

- Enforcement of integrated reporting is not possible yet?
  - Reporting framework for integrated reporting is lacking
  - Draft framework IIRC
  
- How can supervisors of financial reporting contribute?
  - Participate in the debate on integrated reporting
    - What relevant and reliable information should be available for investors
    - Is the proposed framework enforceable
  - Benchmark study

## **Contribution to the improvement of financial reporting**

- Publication of the consultation paper “Considerations of materiality in financial reporting”
- Participation in the debate on the disclosure framework
- Encourage preparers of financial statements to make the financial statements more communicative