

Accountancy Europe  
Re. Cogito Paper ‘Interconnected Standard Setting for Corporate Reporting’  
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**Our ref:** RJ-Div. 6015  
**Direct dial:** Tel.: (+31) 20 301 039  
**Date:** Amsterdam, March 31, 2020  
**Re:** Cogito Paper ‘Interconnected Standard Setting for Corporate Reporting’

Dear members of Accountancy Europe,

The Dutch Accounting Standards Board (DASB) appreciates the opportunity to comment on your Cogito Paper ‘Interconnected Standard Setting for Corporate Reporting’ (hereafter: Paper). The DASB discussed this Paper in its meeting in February 2020, after an introduction of the Paper’s background and content by Mr. M. Vaessen (representing Accountancy Europe). The members of the DASB much welcomed the opportunity to discuss this Paper with Mr. Vaessen.

The DASB agrees with Accountancy Europe that the Paper addresses an important topic that is currently discussed in many countries worldwide and is gaining urgency. The overall view of the DASB, which is elaborated hereafter, is that i) international guidance towards common metrics and consistent disclosure of non-financial information is preferable to the current diverse situation, ii) support by major national and international stakeholders is essential for any initiative to develop interconnected standard setting for corporate reporting of non-financial information, and iii) any local or regional consolidation of standard setting initiative should not hinder the developments of global guidance or standards on disclosure of non-financial information. Although the DASB also discussed that maybe a more practical solution would be to first collect relevant worldwide best-practices of disclosure of non-financial information, which in due time may evolve into (the development of) global standards.

The opinion of the DASB is that it would be very useful when an international body or institute would coordinate the development of interconnected standard setting regarding corporate reporting of non-financial information. The current diverse situation, with many initiatives for disclosure and several forms of non-financial information, is too complex and

results often in less comparable information and is therefore less useful for stakeholders. A common framework is needed that ensures consistent, comparable and reliable reporting of non-financial information in a global context that targets a diverse group of stakeholders.

In this respect the DASB believes that either approach 1 or approach 4, mentioned in the Paper, would probably be the most efficient way forward. Regarding approach 1, the DASB is of the opinion that the governance model and track record of the IASB as financial reporting standard setter is unprecedented. However, the DASB recognises that the global acceptance of IFRS has much benefited from the support of IOSCO and the European Union. It is obvious that the IFRS Foundation does not have a similar position in the area of non-financial information at present. To achieve this, the need for support from global organizations like for instance IOSCO is of significant importance.

The DASB notes that approach 4 may seem appropriate given the fact that also the United Nations have made promising progress in developing their Sustainable Development Goals. Also because the DASB believes that for any global initiative clear support of major national and international stakeholders and jurisdictions is essential. Such support is even more important than the organisation, institute or authority that will actually develop guidance or standards. A global solution is obviously desirable, although it may be a challenge to achieve worldwide consensus on this topic.

In this respect approach 2 would seem to be useful if the preferable global solution is not likely to be achieved in due time. There are some merits, also related to speed and sense of urgency, for such a regional approach. The DASB is aware of the current discussions brought forward by the European Commission and certain EU-member states about a European initiative. Nevertheless, the DASB recognizes that any such initiative requires a European legislative process with proper democratic guarantees. The DASB believes that it is important that any such regional initiative is not counter-productive, in the sense that it should not imply any delay or maybe even be an obstacle to global guidance or standards

Furthermore, it will be essential, also for legitimacy, that the governance process of a standard setter is appropriate and must not exclude input or involvement of stakeholders globally. The DASB wants to emphasize that many companies and stakeholders are not operating in a local or regional (legal) environment only, especially publicly accountable entities such as, for instance, listed companies and their stakeholders like institutional investors. From that perspective a global capital markets based approach, like approach 1 or 4, would be most appropriate, as mentioned before.

We will be pleased to provide Accountancy Europe any further information that you may require.

Yours sincerely,

prof. dr. Peter Sampers  
Chairman Dutch Accounting Standards Board