

The Dutch Authority for the Financial Markets (AFM) and the Dutch Accounting Standards Board (RJ) call on market parties to respond to the European consultation on public reporting

The European Commission launched a consultation in connection with the evaluation of public reporting by companies in Europe. The consultation contains a number of far-reaching proposals that constitute a fundamental departure from the principles of the existing IAS Regulation. Therefore, the Dutch Authority for the Financial Markets (AFM) and the Dutch Accounting Standards Board (RJ) call on stakeholders to respond to the [public consultation](#). This is possible up to 21 July 2018.

'Fitness check' for EU framework

The public consultation is part of a 'fitness check' with which the European Commission aims to conduct a comprehensive check of the suitability of the EU public reporting framework for companies. The European Commission also wishes to examine whether the EU framework is still in line with its objectives, whether it still offers added value on a European level and is still suitable for new challenges such as sustainability and digitalisation.

Possible departure from existing principles

The European Commission has come up with a number of far-reaching proposals in this context. For instance, they ask whether the existing requirement for European listed companies to apply International Financial Reporting Standards (IFRSs) is still relevant. Further it asks whether it is still appropriate that the IAS Regulation prevents the Commission from modifying the content of IFRSs as issued by the International Accounting Standards Board. These proposals can result in a fundamental departure from the principles of the existing IAS Regulation. Moreover, they were partially rejected in the Maystadt Review in 2013.

Importance of transparency and comparability

The AFM and RJ emphasise that the existing IAS Regulation resulted in an important increase in the transparency and comparability of financial reporting. Not only the comparability between companies within the European Union but also between companies outside of the European Union that apply IFRSs. Realising other policy objectives via (non-) financial reporting such as integrated reporting, sustainability and other ESG aspects, but also digitalisation will contribute to a more sustainable economy and society. However the AFM and RJ are of the opinion that this should not take place at the expense of transparency. The AFM shall endeavour to promote these goals via other standards than IFRSs.

The AFM and the RJ will respond to the consultation based on their responsibility for the quality and usefulness of corporate reporting.