Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

36th SESSION
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Room XIX, Palais des Nations, Geneva

Wednesday, 30 October 2019
Morning Session

High-Level panel
Impact of sustainability and the 2030 Agenda on Sustainable Development on financial and non-financial enterprise reporting

Presented by

Reto Zemp
Committee Issuer, Accounting, Auditing and Disclosure
International Organization of Securities Commissions

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ISAR, 36th Session

Impact of sustainability and the SDG agenda on corporate financial and non-financial reporting

Reto Zemp
IOSCO Committee 1
Geneva, 30 October 2019
Outline of Presentation

• IOSCO Committee 1

• IOSCO – ESG related Activities

• SIX Swiss Exchange / SIX Exchange Regulation

• Corporate Reporting Developments

• Corporate Reporting – Securities Regulator’s Domain

• Sustainability Information – Questions & Challenges
IOSCO Committee 1

- Issuer Accounting, Audit and Disclosures
- IOSCO Principles for Issuers
  - No. 16: There should be full, accurate and timely disclosure of financial results, risk and other information which is material to investors’ decisions
  - No. 17: Holders of securities in a company should be treated in fair and equitable manner
  - No. 18: Accounting standards used by issuers to prepare financial statements should be of a high and internationally acceptable quality
- 32 Members
IOSCO – ESG related activities

- Sustainable Finance Network
- Statement on Disclosure of ESG Matters by Issuers (C1)
- Sustainable Finance in Emerging Markets and the Role of Securities Regulators
SIX Swiss Exchange / SIX Exchange Regulation AG

Periodic Corporate Reporting Obligations
• Financial Reporting
• Corporate Governance Reporting
• Executive Compensation Reporting (legal requirement)
• Opting In for Sustainability Reporting (since 1 July 2017)
• Directive on Alternative Performance Measures (applicable for annual reports for periods starting on or after 1 January 2019)

Event-driven Reporting Obligations
• Ad hoc Publicity
• Management Transactions
• Disclosure of Shareholdings
# Corporate Reporting Developments

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<th>Established CR</th>
<th>‘Emerging’ CR</th>
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<td>Financial Reporting</td>
<td>Alternative Performance Measures (APMs)</td>
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<td>Management Commentary</td>
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<td>Corporate Governance</td>
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Corporate Reporting – Securities Regulator’s Domain

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<th>Securities Regulator</th>
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<tr>
<td>Addressee</td>
<td>Shareholders</td>
<td>Stakeholders</td>
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<td>Source of information</td>
<td>Company</td>
<td>3rd parties</td>
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<td>Time period</td>
<td>Past</td>
<td>Future</td>
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<td>Structure of information</td>
<td>Standardized</td>
<td>Company specific</td>
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<td>Scope of companies</td>
<td>Listed companies</td>
<td>Other significant companies</td>
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Sustainability Information – Questions & Challenges

Disclosure of sustainability information is quite common – how can its relevance and usefulness be improved?

- Link to the company’s business model, value creation and risks?
- Quantitative information?
- Standardization?
- Quality assurance?
- Scope of companies?