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

**39th SESSION
1 – 3 November 2022**

Tuesday, 1 November 2022

**High-level panel
Recent developments in financial and sustainability reporting
requirements and related standard-setting developments and
their implications for practical implementation**

Presented by

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ISAR 39

This high-level panel will discuss recent developments on financial and sustainability reporting requirements and related standard-setting developments and their implications for practical implementation

Vania Borgerth

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IESBA



WHY DO WE NEED HIGH-QUALITY REPORTING ?



Stakeholders' Right

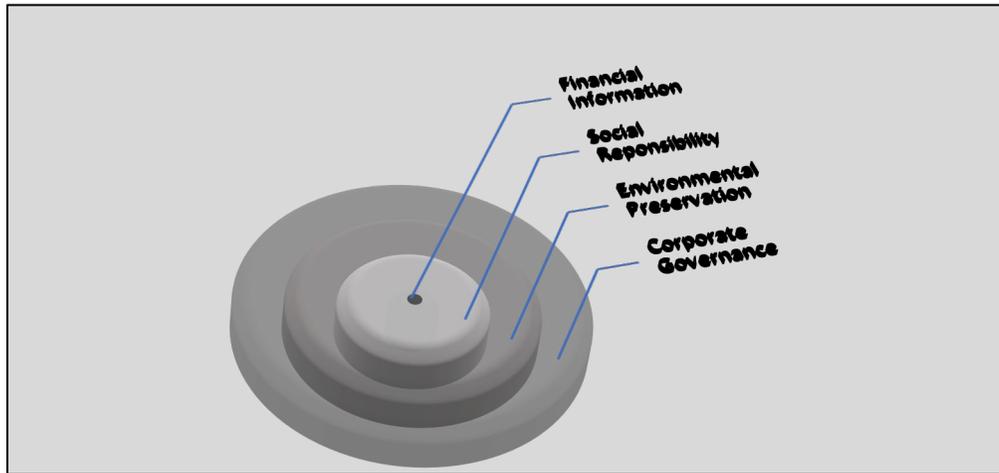
- Reduces information asymmetry
- Foundation for good decision making



Company's Responsibility

- Better controls and management
- Reporting requirements lead to responsible decisions
- Tool to build a relationship based on trust
- Long term value creation

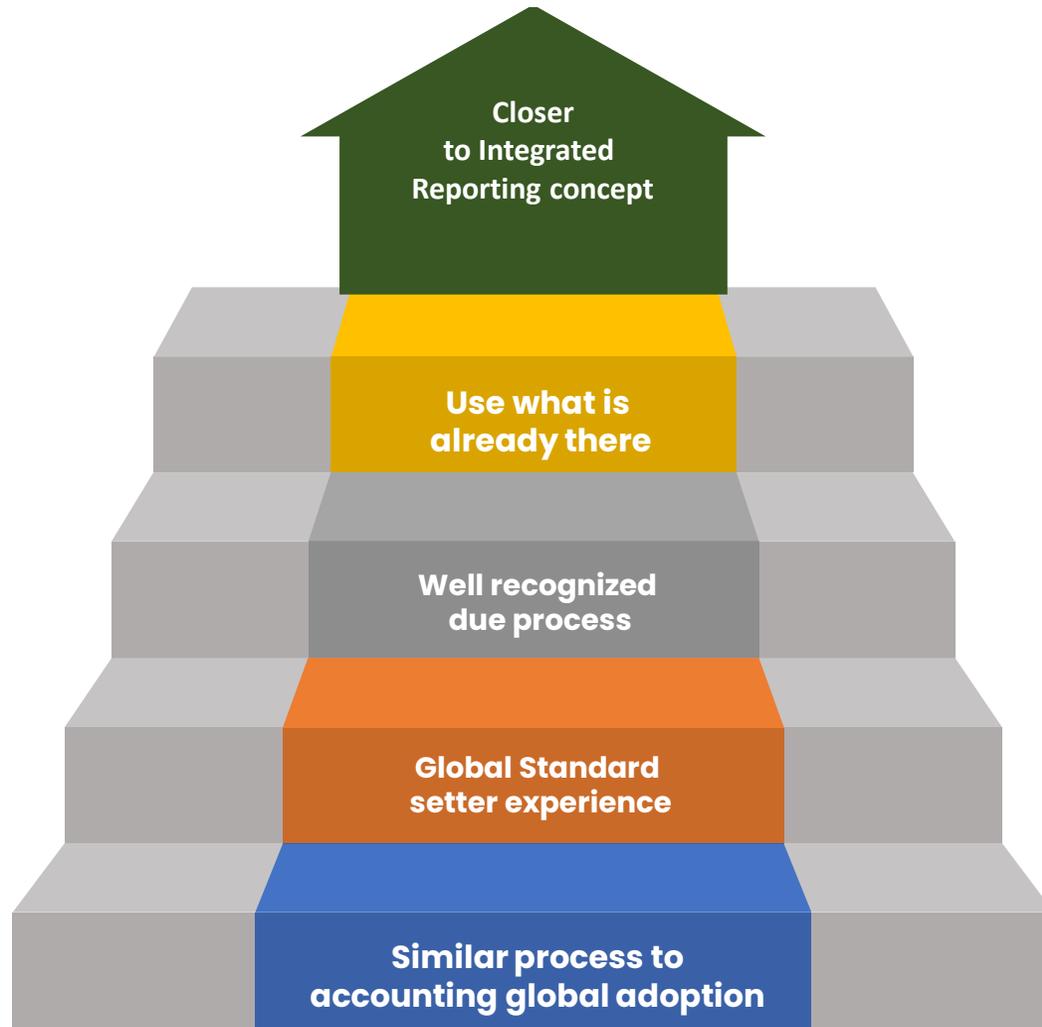
GOOD CORPORATE REPORTING IS NO LONGER EQUAL TO FINANCIAL REPORTING



ESG

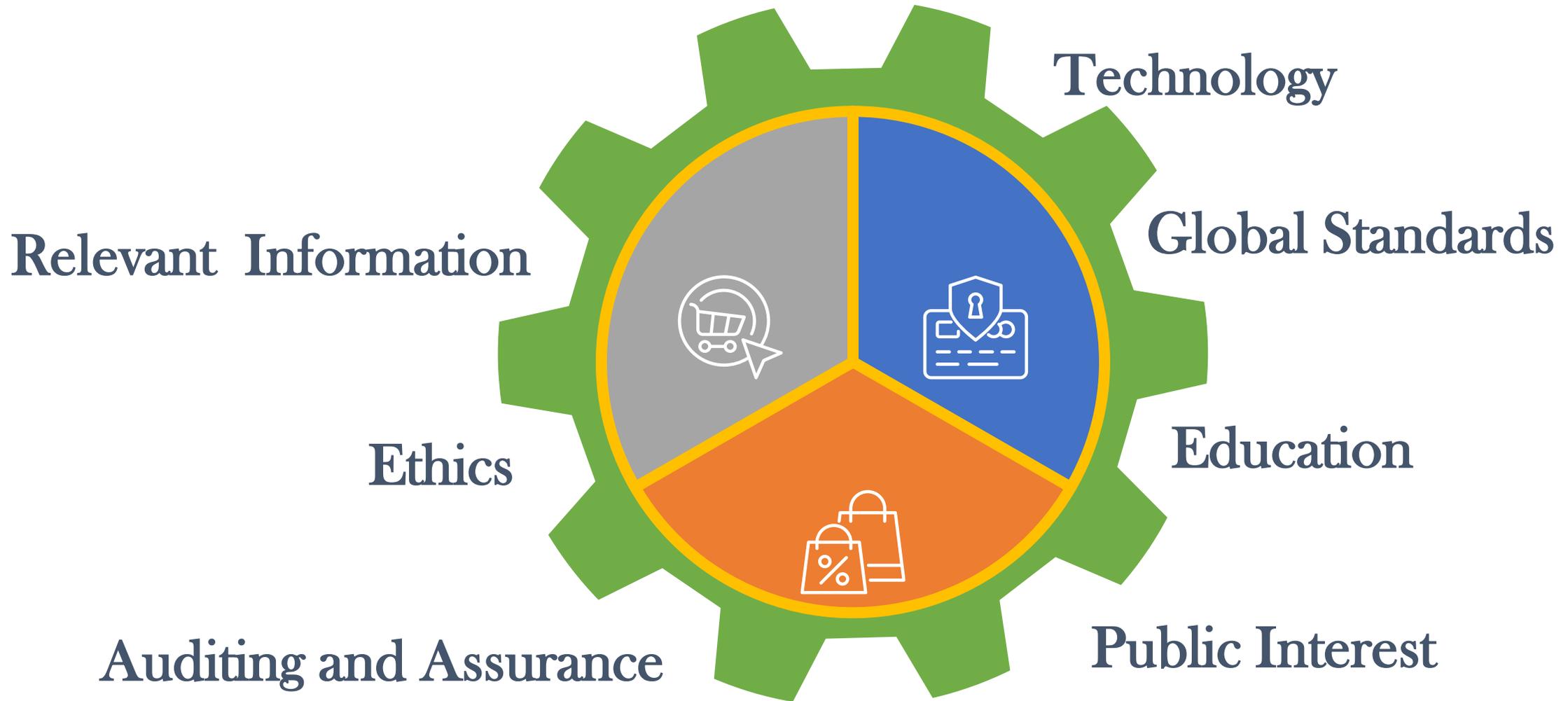
- No greenwashing
- High quality and comparability
- Integrated Thinking
- Not only frameworks, but also standards
- Assurance
- Trust

Why ISSB makes sense

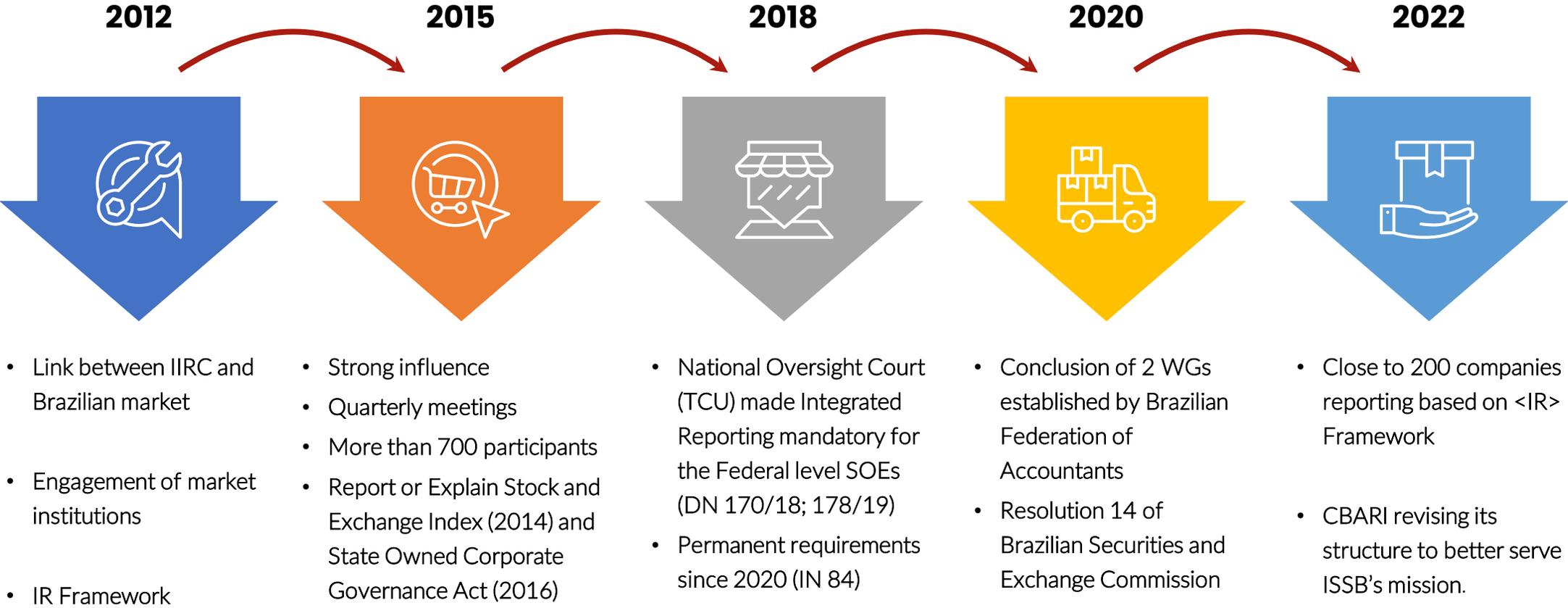


- More transparency – greater market stability
- Short way of getting reasonable assurance– greater confidence in information
- Lower risk of inconsistencies – greater use in the decision-making process
- Comparability
- Acceleration of the regulatory process

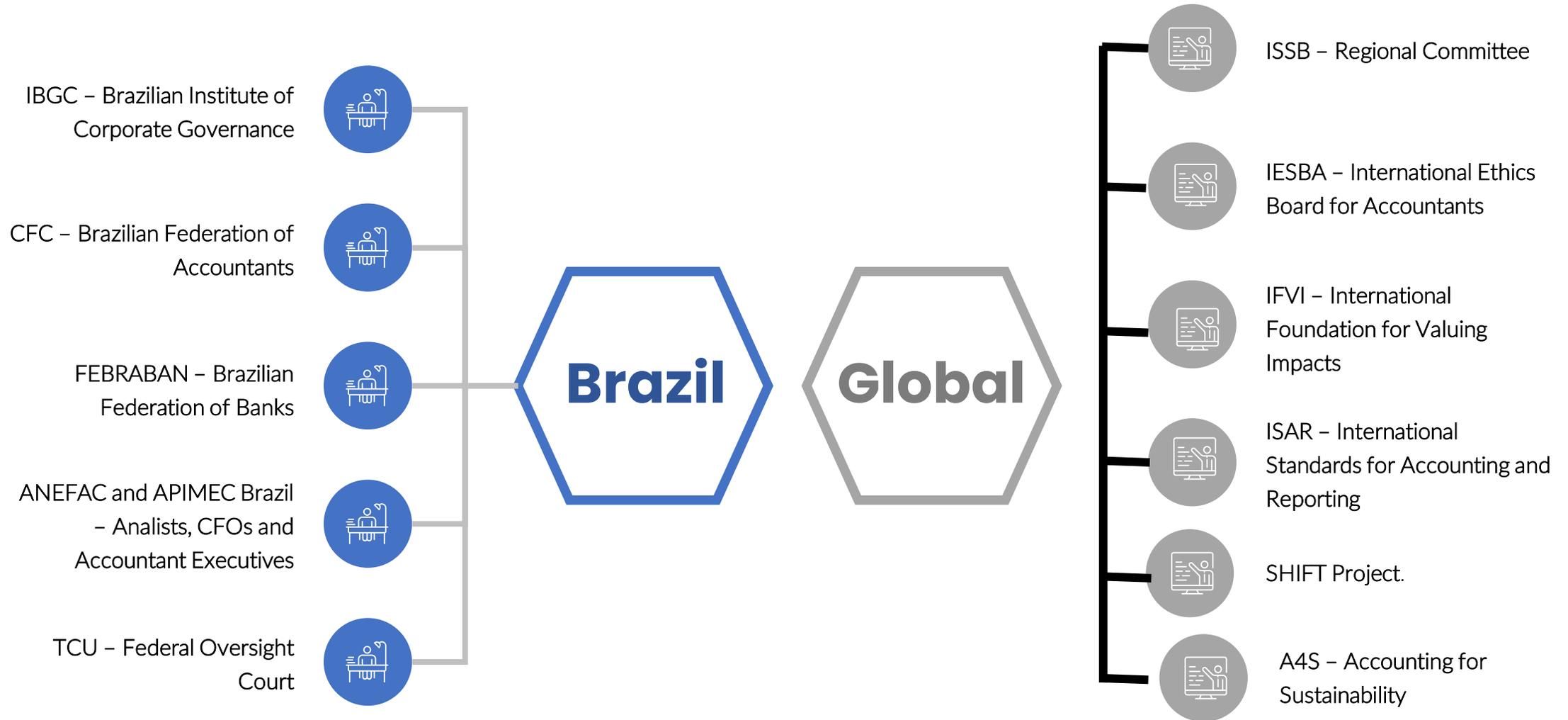
Elements of Corporate Reporting



Integrated Reporting in Brazil



CBARI



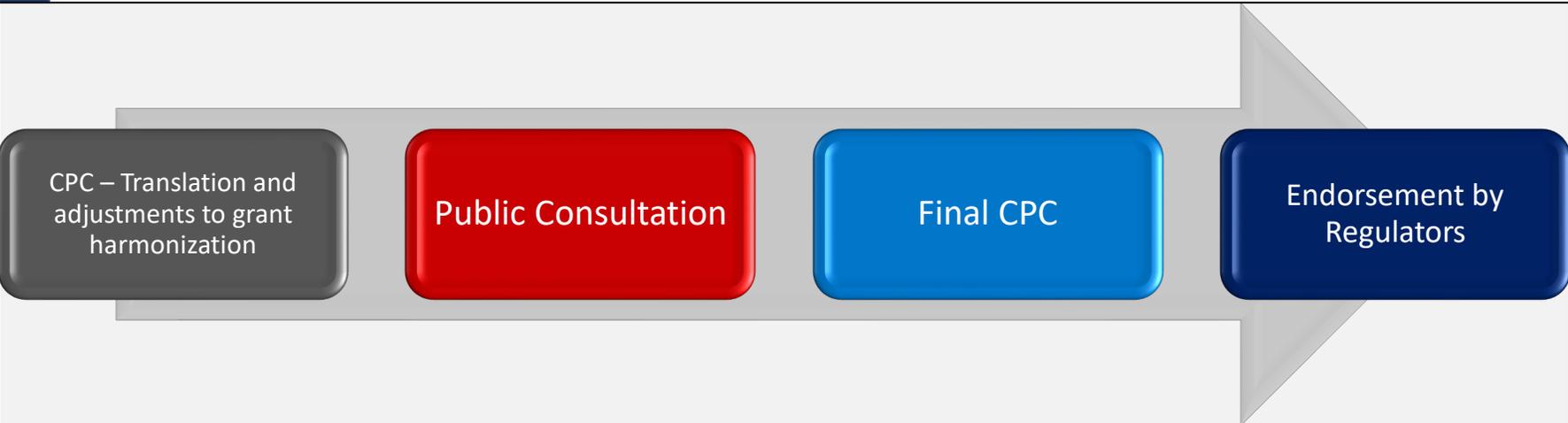
Flow of enforcement of IFRS's Standards in Brazil

**IFRS
Foundation
/FACPCS**

Contábil



**Disclosure
Sustentabilidade**

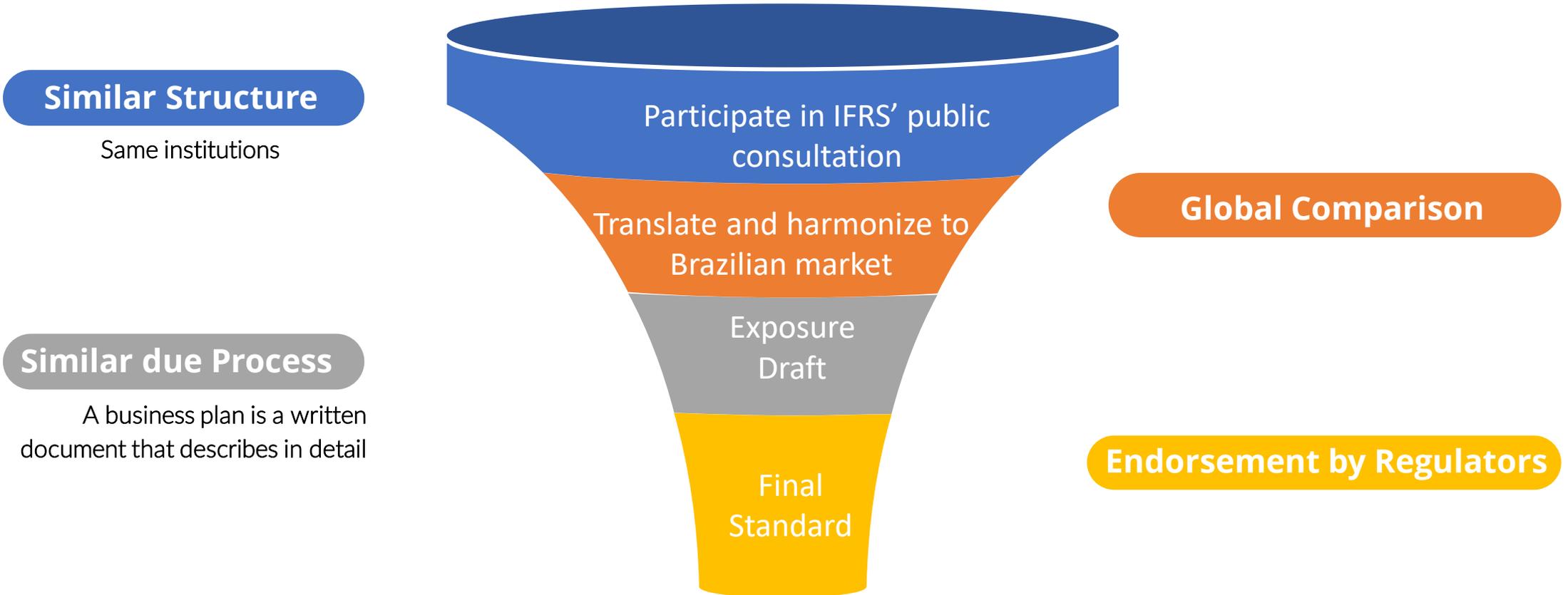


Enforcement



Others

CBPS – Governance-ready for ISSB



Ethics Considerations in Sustainability Reporting

Including Guidance to Address Concerns About Greenwashing

The IESBA is committed to being part of the rapidly progressing developments regarding sustainability reporting and assurance and providing timely responses to ethics and independence-related concerns.¹ This publication is intended to highlight the relevance and applicability of the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code" or "the Code of Ethics")² to several ethics-related challenges arising from professional accountants' involvement in sustainability reporting and assurance, especially circumstances related to misleading or false sustainability information (i.e., "greenwashing").

[Click here to learn more about the IESBA and its sustainability work streams.](#)



Introduction

In recent years, investors have been increasingly focused on information that provides a better understanding of a company's long-term value creation and enables them to allocate capital to businesses they perceive as being more sustainable. Financial markets have seen accelerated growth in the disclosure of sustainability information.³ As this information is progressively used in investors' capital allocation decisions, as well as other decisions by customers, employees or potential employees, government agencies and other stakeholders, it is important that it is as reliable as existing financial information, so that there can be justifiable public confidence in what is reported.

The accountancy profession plays a major role in the sustainability reporting supply chain. The profession brings to this domain its wide and deep competencies in the preparation and presentation of information and the provision of assurance thereon. The profession has historically demonstrated wide and deep technical competencies and a strong ethical core in preparing, presenting, and assuring financial information. Similarly, those attributes are invaluable in reporting on non-financial information such as information related to sustainability. Most importantly, public trust in the profession in those crucial roles for sustainability is underpinned by robust global ethics standards, which in turn contribute to confidence in sustainability reporting.⁴

This publication aims to help professional accountants, especially those in business, navigate ethics situations or challenges that might lead to reporting misleading or false sustainability information. The guidance may also be useful to other professionals involved in such reporting, and other stakeholders, including regulators and oversight bodies, policy-makers, investors, those charged with governance (TCWG), national standard setters, professional organizations, accounting firms, government and non-profit organizations, and academia.

The publication does not amend or override the Code, the text of which alone is authoritative. Reading the Q&As is not a substitute for reading the Code. The Q&As are not intended to be exhaustive and reference to the Code itself should always be made. This publication does not constitute an authoritative or official pronouncement of the IESBA.

1. In the [2022 progress report](#) on Roadmap for Addressing Financial Risks, the Financial Stability Board (FSB) highlighted that an imperative for future work will be an enhanced system of transparency, sustainability assurance, ethics and independence standards. The FSB acknowledged the work of the IESBA and the International Auditing and Assurance Standards Board (IAASB) and the importance of having robust standards and efforts to promote consistency in practice. In its September 15, 2022 statement, the International Organization of Securities Commissions (IOSCO) also urged standard-setters work on assurance of sustainability-related corporate reporting and enhanced the work of the IESBA and IAASB in the region.

2. The Code sets out high-quality standards of ethical behavior expected of professional accountants. Translated in about 40 languages, the Code is used or adopted with few exceptions for national standards or the ethics codes of professional accountancy organizations in about 130 jurisdictions. It is also adopted by the 33 largest international networks of accounting firms (the [Panos of Firm](#)) for international audit, tax and advisory services (IFAs).

3. In this publication, the term "sustainability" is used to refer broadly to Environmental, Social and Governance (ESG) matters and related considerations associated with the achievement of the [United Nations Sustainable Development Goals \(SDGs\)](#).

4. The principles-based provisions in the Code set out in Part 1 – [Complying with the Code](#), Fundamental Principles and the [Overarching Framework](#) and Part 2 – [Professional Accountants in Business](#) apply to all professional accountants when preparing or presenting information, including sustainability information.

<https://www.ethicsboard.org/publications/ethics-considerations-sustainability-reporting>

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