

Mr. Olivier Boutellis-Taft
 Chief Executive
 Federation of European Accountants
 Avenue d'Auderghem 22–28/8
 B-1040 Brussels

Via email: pantelis.pavlou@fee.be

11 July 2016

Dear Mr. Boutellis-Taft,

Re: The future of corporate reporting - Creating the dynamics for change

The International Integrated Reporting Council (IIRC) welcomes the opportunity to respond to the report on the future of corporate reporting by the Federation of European Accountants (FEE) and support its aim to provide additional momentum to the dynamics for change in corporate reporting.

Reporting needs to evolve to meet the needs of 21st century business and, as the paper notes, we need system change on a number of fronts to ensure reporting continues to be relevant to providers of financial capital and other stakeholders. The IIRC Council provides a global basis for the convening power to take forward discussion on the purpose of the corporate reporting system.

We believe overall that the paper provides a compelling analysis of the need for corporate reporting system change. At the paper's heart is the new and interesting concept of 'core and more'. In respect of the "core" element, we support the argument set out in the paper that, "There is a need for a single comprehensive report that provides a complete picture of the company's story and at the same time solves the need for greater interconnectedness between different corporate reports". We argue that <IR> already achieves the concept of the 'core' reporting model and indeed many prominent companies and advocates from across the corporate reporting landscape are now making this vision a reality. We would therefore call for a more explicit adoption of <IR> as the principal 'core' element in the corporate reporting landscape and for FEE's recognition of the broad acceptance of <IR> as a relevant, market-led response to the corporate reporting challenges of the early 21st century. Indeed, as the paper acknowledges, <IR> is the most promising and advanced initiative in this area.

The paper argues that innovations in technology should underpin the 'more' element to ensure this information supports, and is consistent with, the 'core' report. We agree with this analysis and believe this concept could be a vehicle for achieving a more cohesive reporting suite, meeting both the business and stakeholder need for efficiency and conciseness. We will work to develop further opportunities to engage FEE in the work of the <IR> Technology Initiative.

We welcome the linkages and challenges to enhancing the whole corporate reporting system highlighted in the report. Our contributions to this agenda already include convening a Corporate Reporting Dialogue between frameworks and standard setters with international impact.

It is also vital to recognise that corporate reporting does not exist in a vacuum. Changes to corporate reporting must be accompanied by broader policy change to our capital markets to encourage long-term thinking and behaviour that a new corporate reporting system should reflect. This is why we have called for a number of policy shifts that we believe will be essential to this change, not least to embrace sustainable development and long-termism throughout the investment chain, and to break down silos in reporting. We believe that reporting can bring about change and that the aim of reporting must be to enhance the 'integrated thinking' within the organization, which brings added value to boards and their providers of financial capital.

Like FEE, we believe that experimentation and innovation will be important drivers of change. Around the world, over 1,000 organizations are using <IR> as the basis for their reporting. The analysis in this paper will undoubtedly be relevant to their continuing efforts to integrate all aspects of value creation into their reporting and to drive integrated thinking in their organizations. We believe this will, in turn, create examples of leading practice from which we can establish new models for reporting.

In welcoming this report, we pledge to continue playing our role in creating a 'fit for purpose' reporting system for today's market needs.

Yours sincerely,



Paul Druckman
Chief Executive Officer, International Integrated Reporting Council