

EFRAG
Chairman Jean Paul Gauzès
35 Square de Meeûs
B-1000 Brussels
BELGIUM

Stockholm Dec 22th 2020

Re: *EFRAGs Consultation Document on the Ad Personam Mandate on potential need for changes to the governance and funding of EFRAG*

Dear Jean-Paul,

We thank you for the opportunity to comment on the *EFRAGs Consultation Document on the Ad Personam Mandate on potential need for changes to the governance and funding of EFRAG* and appreciate and realize the effort behind the document.

However, given that EFRAG is not currently a standard setter, we do not see any obvious synergies in building up the proposed organization with the following two separate branches of activity, which are also proposed to be financed separately.

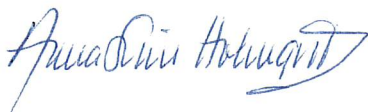
- Advice on financial standards to the European Commission and influencing IASBs financial standard setting activities
- Standard setting regarding European non-financial reporting standards,

From a Swedish export-oriented perspective international non-financial standards are preferable to European standards. Given the latter and the fact that EFRAG lacks standard setting experience, we instead favour that

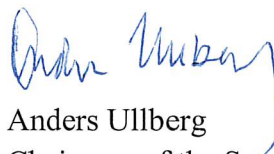
- 1) IFRS Foundation, in accordance with the proposal in the *Consultation Paper on Sustainability Reporting*, establish a new Sustainability Standards Board which is given the task of issuing international non-financial standards and
- 2) EFRAG maintains and strengthens its role as advisor to the EU Commission regarding the enforcement of financial as well as non-financial standards and also influence SSBs non financial standard setting activities.

with such a solution EFRAG can keep its present financing model, with a clear connection between financing and representation in EFRAG and its structure and governance can be maintained by strengthening both the EFRAG Board and EFRAG TEG with members with knowledge of non-financial reporting. It will also be possible to build on the TEG expertise and let existing members of EFRAG TEG familiarize themselves with non-financial issues and add value.

In such an alternative solution, EFRAG Lab can continue to conduce with its valuable contribution, to stimulate innovation in the field of corporate reporting in Europe by identifying and sharing good reporting practices and benchmark for best-practice, and being incorporated as a body reporting to the EFRAG Board.



Anna-Carin Holmqvist
Head of Secretariat of the Swedish
Association for Generally Accepted
Principles in the Securities Market and
EFRAG General Assembly representative



Anders Ullberg
Chairman of the Swedish Financial
Reporting Board and
EFRAG Board Member