

**JOINT OUTREACH EVENT**

**IASB EXPOSURE DRAFT ED/2015/3**

**CONCEPTUAL FRAMEWORK FOR  
FINANCIAL REPORTING**

**BRUSSELS**

**23 SEPTEMBER 2015**



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This summary report has been prepared for the convenience of European constituents by the EFRAG Secretariat and has not been subject to review or discussion by either the EFRAG Board or the EFRAG Technical Expert Group. It has been reviewed by the speakers who attended the joint outreach event.

## Introduction

This feedback statement has been prepared for the convenience of European constituents to summarise a joint outreach event held by EFRAG, in cooperation with the IASB, on 23 September 2015.

The outreach event was one of a series organised across Europe following the publication of the IASB Exposure Draft *Conceptual Framework for Financial Reporting* (“the ED”). The purpose of the outreach event was to:

- stimulate the debate on the Conceptual Framework in Europe;
- obtain input from European constituents and to understand their main concerns and wishes, in particular from those that may not intend to submit a comment letter to the IASB or EFRAG;
- receive input for EFRAG’s comment letter and for the IASB; and
- learn whether the preliminary comments, as set out in EFRAG’s draft comment letter, were shared by European constituents.

At the event, Theodor Dumitru Stolojan, Member of the European Parliament provided a keynote speech addressing the Conceptual Framework and recent financial reporting developments. Subsequently, a team of academics presented the results of their study on professional investors’ financial information usage. The study was sponsored by EFRAG and the ICAS with the aim of obtaining more knowledge on the information needs of users and as input for the debate on the Conceptual Framework and EFRAG’s final comment letter on the ED.

Subsequently, Anne McGeachin provided a short presentation of the IASB’s proposals in the ED and Françoise Flores presented EFRAG’s document available for public consultation. Finally, the proposals were then debated by participants and a panel consisting of representatives from National Standard Setters, the European Parliament, users of financial statements, the IASB, EFRAG and academics animated by Patricia McBride.

The speakers and the panel comprised **Theodor Dumitru Stolojan**, MEP and Member of the EP Committee on Economic and Monetary Affairs (ECON); **Liz Murrall**, *Stewardship and Reporting*, The Investment Association and Member of ICAS Research Committee; **Beatriz García Osma**, Professor at the Autonomous University of Madrid; **Thomas Jeanjean**, Professor at ESSEC Business School in Paris; **Anne McGeachin**, IASB Technical Principal; **Peter Malmqvist**, Chairman of the Swedish Association of Financial Analysts and Member of the EFRAG User Panel; **Peter Sampers**, Chairman of the Dutch Accounting Standards Board and EFRAG Board Member; **Patrick de Cambourg**, President of the French ANC and EFRAG Board Member; **Erlend Kvaal**, Chairman of the IFRS Technical Committee of the Norwegian Accounting Standards Board; **Françoise Flores**, EFRAG TEG Chairman and **Patricia McBride**, EFRAG Technical Director.

## Summary of observations

Panel members and participants expressed the following views:

- The preliminary results of an academic study sponsored by EFRAG and the ICAS showed that professional investors are strongly anchored on P&L and P&L data are regarded as more relevant and faithfully represented than balance sheet items.
- The preliminary results of the academic study also showed that, in general, professional investors consider financial reporting information to be relevant and faithfully represented for both valuation and stewardship assessment decisions. It also showed that users' objectives for financial reporting information significantly affect their perceptions of its relevance. In particular, professional investors frequently considered financial reporting to be more relevant for valuation objectives than for management performance assessments. Professional investors did not, however, consider the representational faithfulness of financial reporting to be significantly affected by their objective.
- Although the IASB's proposals are an important step forward, panel members agreed that there is still room for improvement, particularly on the notion of stewardship and definition of financial performance. For example, some panel members considered that the IASB should have been "courageous" to include stewardship as a separate objective and better define what financial performance is.
- Panel members also encouraged the IASB to further clarify the meaning of OCI, how the distinction between P&L and OCI should be made and when there should be recycling. Some panel members also highlighted the importance of the notion "realised gains or losses".
- Panel members considered that the concept of 'business model' was important for investors and that P&L should be closely linked to the entity's business model and management's view over the performance of the business.
- Some panel members emphasised the importance of having a "living conceptual framework" updated over time and considered that conceptual framework improvements should be seen as an ongoing process.
- A panel member thought that it would be useful to compile the guidance and principles on financial reporting that already exist in European Union law and subsequently compare the key findings with the IASB's proposals.
- If investors were focused on income statement items and non-GAAP metrics based on earnings (e.g. EBITDA and EBIT), then the IASB should also focus on defining income statement items such as EBIT and EBITDA.

## Opening comments and presentations

Françoise Flores opened the outreach event and welcomed the participants, the invited panellists, the presenters of the academic study sponsored by EFRAG and ICAS and, more particularly, Theodor Dumitru Stolojan who was going to provide a keynote speech addressing Conceptual Framework and user information needs.

### Keynote speech addressing the Conceptual Framework



Theodor Dumitru Stolojan highlighted the importance of and the European public interest in IFRS and its fundamental role in “keeping capitalism honest”. He also highlighted the importance of the Conceptual Framework to standard setters and users of IFRS, especially when considering that the IASB had decided in the past to base their financial reporting standards on articulated principles. This meant that the Conceptual Framework had the fundamental role of defining those principles and the concepts to be applied in the standards.

Theodor Dumitru Stolojan explained the IFRS endorsement process and the role of the European Parliament in the adoption of IFRS in Europe. He also recalled the European Parliament intensive debate on the role of financial reporting standards in the financial crisis and the discussions on the European endorsement process of IFRS, including the criteria for endorsement and the notions of true and fair view, prudence and stewardship.

Theodor Dumitru Stolojan mentioned the European Commission report on the adoption of IFRS in Europe and the success of its implementation in Europe. The European Parliament was also going to receive another report from the European Commission on the activities of the organisations that received European public funding. This report was also going to focus on improvements to the governance structure of the organisations. Finally, he explained that the European Parliament was now following more closely the issues related to financial reporting and that it had formed a special committee in ECON – the permanent IFRS team, which he chairs, to analyse financial reporting issues.

### Presentation of the academic study on the use of financial statements and Q&A session



Liz Murrall explained the motivation for the academic study on the information needs of users and detailed that the results of the study would feed into future responses to the IASB’s Exposure Draft *Conceptual Framework for Financial Reporting*. She also noted that this research project followed an extensive literature review on the information needs of users, published in December 2013 by ICAS and EFRAG, which had been prepared by the same research team. Liz Murrall expected that the results of the empirical study would be published in December 2015.

Beatriz Garcia Osma referred to the research questions and how the research had been conducted. She pointed out that the research had been based on large-scale, face-to-face interviews with professional investors (close to 80 and distributed throughout Europe, and some from Canada and the United States), mostly selected with support from the ICAS and EFRAG, and that the interviews had been conducted based on a number of different case studies designed by the research team. The participants in the study had been provided with a fictional study, including abbreviated fictitious financial statements. Some participants had been asked to assess the management's stewardship whereas others had been asked to value the entity.

*Beatriz Garcia Osma and Thomas Jeanjean presented the preliminary results of the study on information needs of professional investors.*

Thomas Jeanjean explained that the study had revealed that the purpose for which the accounting information was being used could influence its usefulness. For example, professional investors often considered financial reporting to be more relevant for valuation objectives than for management performance assessments. It was further explained that professional investors were strongly anchored on the income statement, particularly on items such as 'EBITDA' and 'Revenue', and that income statement items were generally regarded as more relevant and faithfully represented than balance sheet items. Finally, Thomas Jeanjean highlighted that the assessed quality of corporate governance was an important driver of assessed representational faithfulness and that accounting information was a key information source for professional investors.



*The presentation of the academic study was followed by a Q&A session.*

A member of the panel referred to the preliminary conclusion that 'Net Income' had not been considered as relevant as EBITDA. The panellist thought that it was imprudent to put more emphasis on EBITDA than on 'Net Income', unless it was an 'adjusted EBITDA'. Although the reference to EBITDA was very common in some specific sectors (e.g. Telecoms), that was not always the case for most of the sectors.

Beatriz Garcia Osma explained that professional investors in general had classified EBITDA as a very relevant number, even if it was an unadjusted number. She further explained that EBITDA had



*A panel member noted that if investors are focused on income statement items, then the IASB should focus on defining the income statement items, such as EBIT and EBITDA.*

not been presented on the face of the income statement; it had been included as part of the qualitative analysis.

An EFRAG TEG member with a user background, pointed out that EBITDA was a very important number, as it provided relevant information about the operational performance of an entity. He emphasised that 'Net Income' was a mixture of operational performance, financing performance and tax items. Thus, he was not surprised that EBITDA was considered more relevant than 'Net Income'. Nonetheless, this user remarked that if investors were more focused on income statement items, then the IASB should focus more on defining the income statement items such as EBIT and EBITDA.

A panel member observed that it was curious that balance sheet items were generally regarded as less relevant than income statement items, when in fact some balance sheet items could affect significantly the income statement (for e.g. impairment of goodwill and pension liabilities). Thomas Jeanjean replied that the preliminary conclusion was that the balance sheet numbers were relevant, but not as relevant as income statement numbers.



Anne McGeachin welcomed the empirical study and asked how the research team had set and explained the objectives to the professional investors. Beatriz Garcia Osma replied that investors had been asked to assume that they were shareholders of a company and to assess the performance of the management in view of existing management compensation schemes.

*Preliminary results indicated that users relied more heavily on financial reporting data for stewardship assessments than for firm valuation, due to a lack of alternative sources for this purpose.*

One member of the panel observed that the study seemed to conclude that financial reporting information was more relevant for valuation purposes than for stewardship purposes. Nonetheless, it also seems to conclude that financial reporting information was central for stewardship. Thomas Jeanjean explained that users relied more heavily on financial reporting data for stewardship assessments than for firm valuation due to a lack of alternative sources for this purpose.

Patricia McBride asked whether investors, when assessing stewardship, had called for additional information to be included in the financial statements. Beatriz Garcia Osma noted that, in general, investors wanted information that would help them to understand how much of the company's performance was due to management efforts and to macro-economic events (e.g. changes in pension liabilities). Some investors had also referred to the need for standardised measurements of performance.

### **Presentation of the IASB Exposure Draft on the Conceptual Framework**

*The IASB proposals on presentation and items that should be reported in P&L and OCI were a step forward, compared with the current Conceptual Framework.*

Anne McGeachin provided a high-level overview of the IASB Exposure Draft and explained that the IASB had decided, after considering the feedback received on its Discussion Paper, to reconsider some aspects of Chapters 1 and 2 of the Conceptual Framework. The IASB had decided to give more prominence to the notion of "stewardship" and to reintroduce explicit references to the notion of "prudence" and "substance over form".

On the definition of elements of financial statements, the IASB had proposed a number of changes to the existing definitions. Anne McGeachin explained the challenges that the IASB had faced when it worked on the definitions of assets, liabilities, income and expenses and had tried to distinguish debt from equity. On recognition, the IASB had moved away from the notion of 'expected or probable outflows or inflows of resources' and that elements had to be 'measured with reliability'. The IASB had decided to focus more on relevance, faithful representation and cost/benefit considerations. The IASB had also decided to include a section focused on derecognition, where it discussed its definition and the overarching aim of the accounting requirements for derecognition.

In the ED, the IASB suggested a mixed measurement model and discussed different measurement bases, the information that they provided and their pros and cons. On presentation and disclosures, the IASB proposed that income and expenses in the statement of profit or loss (P&L) were the primary source of information about an entity's financial performance. Nonetheless, income or expenses could be reported in OCI if they related to assets or liabilities measured at current value and if such classification would enhance the relevance of the information to users. Anne McGeachin acknowledged that the ED might not provide comprehensive guidance on which measurement basis should be chosen in a given situation and what items should be reported in OCI, but it was a step forward compared with the current Conceptual Framework.

## Presentation of EFRAG's document for public consultation

*Françoise Flores presented EFRAG's document available for public consultation and referred to the Bulletin [Profit or Loss versus OCI](#) where EFRAG explores ways of reflecting the role of the business model in the selection of measurement bases.*

Françoise Flores presented EFRAG's document for public consultation. She highlighted the importance of having a conceptual framework that would provide guidance for future standard setting in areas that had given rise to controversy in the past. The IASB's proposals to give more prominence to the objective of stewardship and reintroduction of the notion of prudence and substance over form were welcomed, however improvements in some areas were still needed. It would be also important to have re-instated the concept of reliability as a fundamental characteristic and reach a common understanding as to what a reliable measurement is.

The IASB's Discussion Paper included suggestions on how to distinguish between liabilities and equity. However, EFRAG had raised concerns in the past about the usefulness of the resulting accounting for particular types of claims. Therefore, the IASB's decision to further explore the distinction between liabilities and equity in its *Financial Instruments with Characteristics of Equity* research project was viewed as positive.

On measurement and presentation, Françoise Flores highlighted that there had been improvements in the discussion. However, she noted that the outcomes in future standard setting would rely heavily on the IASB's judgement of what is considered relevant information.

In order to test the proposed new definitions in the IASB's Exposure Draft, EFRAG intended to publish a [questionnaire](#) on a number of specific cases. Participants would be asked to provide their assessment on whether different aspects of the proposed definitions of assets and liabilities were met.

Finally, Françoise Flores referred to the Bulletin [Profit or Loss versus OCI](#) where EFRAG explored ways of reflecting the role of the business model in the selection of measurement bases. It was also an attempt to assist the IASB in finding when it would enhance the relevance of profit or loss to include changes in net assets in OCI, instead of in profit or loss and on the principles relating to the timing of recycling.



## Panel Discussion, joined by representatives of National Standard Setters and the user community

Patricia McBride welcomed the panel members, opened the debate and asked if there were general comments on the IASB's proposals.

### *Main messages received*

*The IASB's proposals are an important step forward. However, panel members also agreed that there is still room for improvement, particularly on the notion of stewardship and the definition of financial performance.*

### **Overall comments on the IASB's proposals**

The panel members opened the debate by highlighting the importance of the Conceptual Framework and welcomed the IASB's efforts on improving the Conceptual Framework.

In general, panel members agreed that the IASB's proposals were an important step forward. For example, panel members noted that the IASB's decision to give more prominence to the notion of stewardship was an important "step in the right direction". However, panel members also agreed that there was still room for improvement. For example, some panel members considered that the IASB should have been "courageous" in including stewardship as a separate objective and to define what financial performance is.

Some panel members added that improvements to the conceptual framework should be seen as an ongoing process and emphasised the importance of having a "living conceptual framework", updated over time.

Nonetheless, a few panel members expressed disagreement with some the IASB's proposals and provided suggestions on what should be improved. For example, one panel member considered that:

- the ED included many different perspectives and that it should be clearer in the Conceptual Framework, as to whom it was directed (e.g. standard setters or the public in general);
- the content of Chapter 8 *Concepts of Capital and Capital Maintenance* needed to be improved;
- the previous relevance vs. reliability dichotomy represented a real trade-off, whereas faithful representation and relevance were, to a large extent, overlapping characteristics;
- the Conceptual Framework should theoretically be regarded as a "Constitution" that standards should respect and its structure could be further improved; and

- the Conceptual Framework should point out more clearly a direction for future standard setting.

Another panel member was not supportive of the reintroduction of prudence as, in his view, it created asymmetry. He further explained that what was considered prudent in one year, could well be considered imprudent in the following years. This panel member also considered that prudence gave management the opportunity to “manipulate earnings”. Finally, on derecognition, this panel member considered it easy for preparers to classify a loss-making subsidiary as a discontinued operation by simply making a statement that management had an intention to sell it.

*It could be useful to compile the guidance and principles that already exist in EU law and compare the key findings with the IASB’s proposals.*

Finally, it was highlighted that EFRAG had been involved in a number of important initiatives on this topic and encouraged other professionals to work on the topic. One panel member suggested that it could be useful to compile the guidance and principles that already exist in EU law, which are, to some extent, dispersed and, subsequently, compare the findings with the IASB’s proposals.



### **Main messages received**

*The IASB should give more relevance to the notion of stewardship. More specifically, stewardship should be considered as a separate objective.*

### **How should stewardship impact financial reporting?**

Many panel members highlighted the importance of the notion of stewardship, particularly for investors who were constantly assessing not only a company’s performance but also management’s performance.

Most panel members also considered that the IASB should give more relevance to the notion of stewardship and that stewardship

should be considered as a separate objective. More specifically, panel members highlighted that:

- from the ED it seemed that stewardship was only important to make investment and lending decisions. Such a point of view was considered overly restrictive;
- financial statements provide investors with relevant information about what management has done with the resources that were entrusted to it and the performance derived from those resources. Thus, stewardship should be at least equal to decision useful information, if not more prominent; and
- stewardship should not only be a separate objective but also a subordinated objective.

*Some panel members thought that stewardship had been narrowly defined and suggested that the notion of stewardship could be broader.*

Some panel members and participants also commented on the definition of stewardship and discussed how it should be defined in practice. They considered that stewardship had been narrowly defined and suggested that the notion of stewardship should be broader to encompass:

- how management has complied with its commitments;
- the business model and strategic objectives set by management — this was because there was a need for an absolute coherence between the entity's business model and how management reported performance. For example, if one firm was being managed in accordance with one business model, but management reported performance in a different way, this would create difficulties for investors; and
- sustainability, corporate governance and ethical behaviour.

*The IASB should consider the existing sources of information that investors have access to, and to recognise the corroborative role of financial statements.*

Finally, some panel members noted that financial statements tended to include historical information and that investors often based their decision on other sources of information, such as investors' presentations, press releases, and earnings announcements. One panel member encouraged the IASB to consider those types of resources and, to a certain extent, recognise the corroborative role of financial statements.

### **Main messages received**

*Panel members welcomed the fact that the IASB had been putting more emphasis on financial performance, particularly discussions around the distinction between P&L and OCI and alternative performance measurements.*

*Financial performance is fundamental for investors, thus the IASB should better define what financial performance is and further clarify the meaning of OCI and recycling.*

*The notion of “realised gains” is important when distinguishing P&L from OCI and can help users to understand an entity’s performance.*

### **How can profit or loss (P&L) become more useful?**

Panel members also highlighted the importance of the statement of profit or loss for investing decisions and stewardship purposes. Thus, they welcomed the IASB’s focus on this issue.

Panel members acknowledged that the statement of profit or loss was the investors’ primary source of information about an entity’s financial performance and considered that it was positive that the IASB had been putting more emphasis on performance, including discussions around distinction between P&L and OCI and alternative performance measurements. They also considered the academic work very interesting and a positive contribution to the discussion.



However, panel members considered they were not yet “at the end of the road”. In particular, panel members considered that the IASB should:

- better define what financial performance is;
- clarify the meaning of OCI and how the distinction between P&L and OCI should be made in practice; and
- when and what should be recycled.

Participants and some panel members noted that the Conceptual framework had not yet fully defined what performance is and called for a clear definition of profit and loss.

Panel members considered that the meaning of financial performance was fundamental for investors and that principles behind the use of OCI and P&L needed to be further clarified. One panel member emphasized the importance of having certain gains or losses, such as some asset remeasurements and foreign currency translation adjustments on foreign subsidiaries, being reported outside of P&L, particularly those that are not indicative of the amount of cash an entity has generated. This panel member

would also like to see the use of OCI being extended to include revaluation gains and losses of investment properties.

Another panel member considered that the notion of “realised gains” was important when distinguishing P&L from OCI and how it could help users to understand an entity’s performance, including the entity’s capability to distribute dividends.

*The notion of “business model” is key for financial reporting and the EFRAG Bulletin [Profit or Loss versus OCI](#) provides a good indication on how the notion of the business model can help the IASB to develop a robust principle driving the use of OCI.*

Some panel members also considered that the notion of “business model” was key for financial reporting and that the EFRAG Bulletin [Profit or Loss versus OCI](#) provided a good indication on how the notion of the business model could help the IASB to develop a robust principle driving the use of OCI. One panel member noted that, even though management might have more discretion with a business model approach (potentially leading to less comparability), management would have an increased responsibility for reporting how it runs a business.

*The IASB needs to clarify the notion of recycling. Some panel members suggested that recycling was related to realisation.*

Finally, panel members and participants highlighted the importance of recycling. One participant referred to the IASB’s proposals on P&L and questioned how an entity’s performance in a period should be interpreted, particularly when there is recycling in that period. Some panel members also considered that the notion of recycling was related to realisation. That is, when there is recycling, then it is not far away from cash. One panel member had difficulties in understanding situations where recycling was not made and would favour having gains and losses in OCI being always recycled at a point in time.

Françoise Flores thanked the panel members and participants for the lively debate and the valuable feedback and closed the panel discussion.



## CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING

### WILL IT MEET EUROPEAN EXPECTATIONS?

#### OUTREACH EVENT

WEDNESDAY 23 SEPTEMBER 2015 - EFRAG OFFICES BRUSSELS

### SPEAKERS



#### **Theodor Dumitru STOLOJAN**

Theodor Dumitru Stolojan, MEP holds a degree and a PhD in economics from the Academy of Economic Sciences, Bucharest and Doctor Honoris Causa from Valahia University of Târgoviște.

Previously, Theodor Dumitru Stolojan, MEP was Minister of Finance (1990); President of the National Privatisation Agency (1991) and Prime Minister (1992) in Romania. His previous work experience also includes the position of economist, head of service, assistant director, director, inspector-general in the Romanian Ministry of Finance (1972-1989); economist and senior economist at the World Bank (1993-1998); Professor at the University of Transylvania, Braşov (2002 to present).




In terms of Party experience, MEP Stolojan was a member of the National Liberal Party (2002-2004); President of the Liberal Democratic Party (2006-2007) and first Vice-President of the Liberal Democratic Party (2008-2011).

He has also been a Member of the Robert Schuman Foundation Board since 2015.



#### **Liz MURRALL**

A chartered accountant, Liz is Director of Stewardship and Reporting at The Investment Association. She is responsible for representing the Association's members' interests as institutional investors on corporate governance and company reporting and assurance issues. She sits on a number of committees, including the ICAS Research Committee, the FRC's Accounting Council and Codes and Standards Committee, the US Public Company Accounting Oversight Board's Standards Advisory Group, the FTSE Policy Committee, the International Corporate Governance Network's Accounting & Auditing Practices Committee, the European Fund and Asset Managers Association's Corporate Governance Committee and the CBI's Companies Committee.

	<p><b>Beatriz GARCÍA OSMA</b></p> <p>Beatriz is Associate Professor of Accounting and Financial Economics at Universidad Carlos III de Madrid. She obtained her PhD from Lancaster University, where she was also an INTACCT post-doctoral fellow and an HARMONIA doctoral fellow. Her research focuses on the areas of corporate governance, earnings quality and the links between accounting information and capital markets. She has published in various national and international journals and participated in a number of pan European research projects. She teaches both postgraduate and undergraduate courses on financial reporting, financial statements analysis and securities valuation. She is also involved in doctoral education and has participated, as a faculty member, in the EAA Doctoral Colloquiums from 2012 to 2015, and organizes an International Accounting Symposium directed at doctoral students and early stage faculty since 2005.</p> <p>She is currently associate editor of the European Accounting Review and of the Spanish Journal of Finance and Accounting, as well as a member of the editorial board of Accounting and Business Research and of Accounting in Europe.</p> <p>She is the Director of the Masters in Accounting, Auditing and Finance joint title between the Universities of Alcalá and Autónoma de Madrid. She is the Spanish representative on the EAA Board and an elected representative of the EAA Management Committee.</p>
	<p><b>Thomas JEANJEAN</b></p> <p>Thomas Jeanjean is Professor of Accounting at ESSEC Business School. He holds a Masters degree and a Ph.D in Management from the University of Paris Dauphine (France).</p> <p>Thomas teaches financial statement analysis and financial accounting at the graduate level (MBA, MSc, PhD) and in Executive Education programs. His research has focused on the topics of financial reporting, earnings quality, R&amp;D reporting, corporate governance and IFRS. Thomas has published many articles on these topics in academic reviews (Contemporary Accounting Research, Accounting, Organizations and Society, Journal of Accounting and Public Policy, European Accounting Review, International Journal of Accounting ...), as well as in professional journals (like Les Echos).</p> <p>Thomas is President of the Francophone Accounting Association and was a member of the management committee of the EAA (European Accounting Association).</p>
	<p><b>Anne McGEACHIN</b></p> <p>Anne is a Technical Principal at the International Accounting Standards Board. She has been involved in accounting standard-setting for 20 years, first at the UK Accounting Standards Board then at the IASB. Before that, she worked in the KPMG UK technical accounting department. She also recently spent four years as an academic at Aberdeen University.</p>



### **Peter MALMQVIST**

Peter Malmqvist is the chairman of the Swedish analyst association, as well as co-chair for the Capital Markets Advisory Committee at the IASB, and member of the EFRAG User Panel. He is an experienced equity analyst and has worked as head of equity research and head of asset management at Aragon Securities and as head of research at Nordnet Bank. He is a former business journalist at the daily newspaper Svenska Dagbladet and today has his own columns in several business and investors magazines. He is also a visiting professor in financial accounting and company valuation at the Stockholm School of Economics.



### **Peter SAMPERS**

Peter Sampers is Senior Accounting Officer of Royal DSM N.V. in Heerlen (NL), Chairman of the Dutch Accounting Standards Board and Professor of Financial Accounting at Maastricht University.

He holds a PhD from Maastricht University for his dissertation on management control systems and shareholder value creation (2003) and is chartered accountant and member of the Netherlands Institute of Chartered Accountants (NBA).

Peter has extensive practical experience in financial reporting both from his present work as Senior Accounting Officer of DSM and from his previous position as Manager Policies and Directives of Philips Electronics. Furthermore, he has standard-setting experience from his work with the Dutch Accounting Standards Board and is familiar with academic research and teaching.

During his career, he has been active in various national and international institutions that are involved with business and financial reporting. In the past, he was member of the Supervisory Board of EFRAG, chairman of the EFRAG Planning and Resource Committee, vice-chairman of the International Accounting Working Group of BusinessEurope, member of the Financial Reporting Committee of the Netherlands Authority for the Financial Markets (AFM) and the Consultative Working Group of ESMA's Corporate Reporting Standing Committee.

**Patrick de CAMBOURG**

Patrick de Cambourg, a graduate from Sciences Po Paris, also holds degrees in public and business law and is bachelor in Arts.

As chartered accountant and auditor, he has spent his entire career within the Mazars Group, successively as junior, manager, and partner. He became President of Mazars in 1983. In 1995, he was appointed Chairman of the Management Board of the newly created international partnership, and in 2012 he became Chairman of the Supervisory Board. Since late 2014, he has been Honorary President of the Mazars Group.

Since March 2015, Patrick de Cambourg has been President of the Autorité des normes comptables (ANC), the French accounting standard setter. As such, he is also a member of the Board of the Autorité des marchés financiers (AMF), the Board of the Autorité de contrôle prudentiel et de Résolution (ACPR), the Board of the CNOCP, the consultative body for public accounting standards, and member of the Haut Conseil de Stabilité Financière.

**Erlend KVAAL**

Erlend Kvaal is a professor of accounting at BI Norwegian Business School and holds PhD in economics. He has been active in accounting standard setting since 1998, and since 2005 he chairs the technical committee of the Norwegian Accounting Standards Board. Prior to his academic career he was a civil servant in the Central Bank of Norway and in the Norwegian Ministry of Finance.

In 2014, he was appointed by the Norwegian government to head a committee that prepares a proposal for a new accounting legislation.



### **Françoise FLORES**

From 2010 up to the implementation of the EFRAG reform in October 2014, Françoise Flores was EFRAG Chairman and has remained in her responsibilities as EFRAG TEG Chairman and CEO since the reform became effective.

Prior to joining EFRAG as Chairman, she was a partner of Mazars in France and one of the IFRS experts of the firm. In that capacity, she has been acting for several years as IFRS Technical Advisor to large European businesses (through Acteo, ERT and BUSINESSEUROPE). She has been a member of EFRAG TEG since April 2004.

Her IFRS expertise is backed up by over 20 years in controlling and financial reporting, of which 10 years as CFO, in the context of large and medium-sized international listed corporations.



### **Patricia McBride**

Patricia McBride joined EFRAG on 29 April 2014.

Although she is a UK citizen, she has spent most of her career working in Asia-Oceania. She is well known in the international IFRS arena for her technical roles supporting the standard setters in Australia, New Zealand and Hong Kong. Part of her career was spent in academia and in her earlier days she was Chief Accountant of a subsidiary of a large German corporate for eight years. She has written for textbooks, academic journals and newspapers and has extensive experience explaining technical accounting issues to non-accountants.