The IASB® *Investors in Financial Reporting* programme

**Working with the investment community for greater transparency in global capital markets**

Financial information is the lifeblood of global capital markets. Financial reporting standards that result in a faithful representation of a company’s performance and allow easier comparison among peers are essential to helping investors identify investment opportunities, while understanding the risks involved. The International Accounting Standards Board’s (the Board) mission is to develop such financial reporting requirements, known as IFRS Standards. Our Standards fulfil an important public interest role by bringing transparency, accountability and efficiency to global capital markets. Investors play a key role in this process.

**A new phase in our interaction with the buy-side community**

Investors rely on the financial information provided by companies. Consequently, the Board has always sought the views of both buy-side and sell-side investment professionals throughout the standard-setting process. However, the Board believes that the interaction with the buy-side can, and should, be broadened. It can also be structured to become more effective. To do so, in December 2014, we established the *Investors in Financial Reporting* programme. The goal of the programme is to increase our dialogue with the buy-side community, to ensure that IFRS Standards continue to meet the information needs of investors globally.

Central to the programme is a *Statement of Shared Beliefs*, which describes steps that both the Board and these investors are committed to take, in order to foster greater participation in the reporting debate among the global investment community.
The Investors in Financial Reporting programme

What we need

Leading the profession

Signing up to the Statement of Shared Beliefs enables leading voices within the global investment community to make visible their:

- own commitment to improving financial reporting;
- belief that high quality financial reporting standards are a collective responsibility; and
- belief that this is a debate so fundamental to the efficient running of capital markets that it should be viewed as part of the day job of any responsible investor.

As part of being a responsible investor and improving the quality and usefulness of financial reporting, investor organisations that sign-up to the Statement of Shared Beliefs agree to the following:

- **ongoing dialogue**: senior representatives will meet with Board members or senior staff on a periodic basis to discuss high-level issues that are relevant to investors and financial reporting and to review opportunities to improve the Board’s interaction with their investment teams.

- **executive level support**: senior management (for example, Chief Investment Officers or Heads of Research) will provide executive-level support for their organisation’s participation in the development of high-quality global accounting standards. This comprises encouraging their analysts and portfolio managers to see engagement with the Board and staff as beneficial to their day-to-day activities and formally supporting them in taking the time to understand how accounting requirements are changing. This also includes encouraging these investors to share their thoughts on the financial information that they need.

- **access to analysts and portfolio managers**: to streamline engagement with the Board and staff, organisations will provide a point of contact within the firm or territorial cluster. This will help the Board and staff to disseminate education materials to the right teams, to introduce us to those who are most likely to be affected by a change in reporting and to ensure that we hear any suggestions for change from those most affected.

We hope that the programme will encourage others within the investment community to join the financial reporting debate.
The Investors in Financial Reporting programme

What we have to offer

We see engaging with the investment community as a two-way street. As well as continuing to seek the views of investors, considering them carefully and giving them due weight in the standard-setting process, the Board has committed to:

- **providing the buy-side community** with an improved channel through which to influence our Standards.
- **developing investor-tailored webcasts** on changes to our Standards as well as on key details about the Standards and how they might affect the information that investors receive. The webcasts aim to raise the levels of awareness and understanding among investors about proposed changes in accounting requirements, and are produced separately by the IASB staff as well as being developed in conjunction with CFA Institute.
- **providing investor friendly articles** on our proposed changes. These articles are written by Board members and aim to summarise the key points about any new proposal or Standard in an ‘investor-friendly’ way.
- **providing access to IASB members and staff** who can provide updates to the organisations’ analysts and portfolio managers on the potential impact of new Standards, especially those related to certain sectors or jurisdictions.
- **providing a contact person** to discuss any suggestions that analysts have on existing disclosures or proposed changes to our Standards or introduce them to the related expert in our organisation.
- **providing investor-focused education sessions** for analysts and portfolio managers on current projects, new Standards, and/or existing Standards. In addition, we will notify investor organisations of any new changes to our Standards and endeavour to highlight any industries that might be ‘disproportionately affected.’
A Statement of Shared Beliefs

The International Accounting Standards Board (the Board) and the listed organisations agree that high-quality, transparent financial reporting is fundamental to building trust in the capital markets and to making investment decisions. Achieving this should be a shared goal of all stakeholders in the capital markets.

The listed organisations acknowledge that as responsible investors they have an important role to play in the achievement of this goal by:

- sharing their views and contributing to the development of standards for financial reporting; and
- having a commitment to working with the Board to ensure that the investor perspective is articulated clearly, and is considered in the standard-setting process.

The Board recognises that this shared goal lies at the heart of the standard-setting process and is essential to fulfil the Board’s role as a global standard-setter. This can only be achieved with the help of insight and experience from the investment community. To meet this aim, the Board commits to continue to seek the views of investors, to consider them carefully, and to give due weight to their views in the standard-setting process.

While the Board and the listed organisations share a commitment to work together to improve financial reporting, both acknowledge that they may have different views on some of the topics that are discussed.

Participants in the Investors in Financial Reporting programme:

Aberdeen Asset Management  
Allianz Global Investors  
APG Asset Management  
AustralianSuper  
BlackRock  
BNP Paribas Investment Partners  
Caisse de dépôt et placement du Québec  
Fidelity Worldwide Investment  
Henderson Global Investors  
Hermes Investment Management  
Insight Investment  
Lazard Asset Management  
Nomura Asset Management  
Odey Asset Management  
Ontario Teachers’ Pension Plan  
PGGM Investments  
Sumitomo Mitsui Trust Bank  
UniSuper