

29 November 2013

EFRAG PAVES THE WAY FOR SWIFT IMPLEMENTATION OF THE MAYSTADT REFORM

The Maystadt Report having been publicly released earlier this month and having received the unanimous support of ECOFIN to transform EFRAG, EFRAG is getting ready to proceed with implementing the changes required in its own governance as quickly as possible.

Changes will start with enlarging EFRAG's General Assembly to include National Funding Mechanisms and welcome other European organisations, more particularly European organisations representing investors.

This change is a positive response to the earlier request of National Funding Mechanisms, more particularly those set in France, Germany, Italy and the UK, to gain greater ownership and responsibility in EFRAG. It should furthermore encourage following the recommendation made by Philippe Maystadt that National Funding Mechanisms should be organised in countries where none exists at present¹.

To prepare for a swift and smooth transition into the new organisation emerging from the Maystadt reform, EFRAG needs to secure its funding in 2014. Whilst EFRAG expects that it will benefit from European funding for the whole year 2014, the draft regulation supporting such funding is still being debated by European institutions and delays in issuing the final regulation are likely to delay public funding payments EFRAG should receive in 2014. In its meeting of 20 November, the EFRAG Supervisory Board has decided to call upon National Funding Mechanisms to formalise their financial commitment to EFRAG in 2014, and hence match the commitment of EFRAG Member Organisations, so that EFRAG can face without any concern any potentially delayed payment of the EC contribution.

Commenting on this decision, Hans van Damme, EFRAG Supervisory Board Acting Chairman said *"I trust that National Funding Mechanisms, which are coordinated in France, Germany, Italy and the UK by National Standard Setters, will do what is required to support EFRAG in the implementation phase of the Maystadt reform, now that consensus has been reached in Europe on how EFRAG should transform to include National Standard Setters in all stages of its decision-making process."*

Françoise Flores, EFRAG Chairman, added *"Whilst EFRAG's governance has been the subject of hot debates more particularly for the last two years, EFRAG has continued thanks to the dedication and hard work of all those involved in its technical work - EFRAG Technical Expert Group, EFRAG specialised Working Groups, EFRAG staff and National Standard Setters in Europe - to exercise strong influence on behalf of Europe on the development of IFRS. As this work and efforts continue, I am impatient to see the Maystadt reform implemented to ensure that we can continue and enhance our work to best serve Europe within the wider mandate of EFRAG and its new governance structure."*

¹ National Funding Mechanisms exist in Denmark, France, Germany, Italy, Norway, Sweden and the UK.

29 November 2013

Note for editors:

1. *About EFRAG (www.efrag.org)*

The European Financial Reporting Advisory Group, EFRAG, was set up principally for the purpose of:

- Providing pro-active advice to IASB (the International Accounting Standards Board);
- Advising the European Commission on the acceptability of International Financial Reporting Standards (IFRS) for endorsement for use in Europe in the consolidated accounts of all listed companies;
- Stimulating, coordinating, and carrying out pro-active accounting activities;
- Advising the European Commission on any resulting changes to be made to the accounting directives and related topics.

2. *About the Maystadt Report*

The report can be downloaded here http://ec.europa.eu/commission_2010-2014/barnier/headlines/news/2013/11/20131112_en.htm.

3. *Press enquiries*

Press enquiries should be directed to Nathalie Saintmard (EFRAG Communications Manager) on +32-(0)2 210 44 07.