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## Fitness Check on Public Reporting by Companies

Dear Director General,  
Dear Mr. Guersent,

Deutsches Aktieninstitut, the organization of German listed-companies and other institutions with an interest in capital markets-development would like to thank the European Commission for its afore-mentioned initiative. While we welcome the Commission's intention to assess whether the current reporting framework still meets its purposes from the background of the new challenges that public reporting is exposed to, we are sceptic about the outcome of the consultation and potential future activities based thereon.

Our scepticism relates to the design of the consultation-questionnaire in the first place, which shows a significant imbalance from our point of view. While numerous questions appear to reveal a certain appetite for further regulatory activities, the questionnaire lacks the perspective of companies as preparers of reports to a large degree. The question on whether the current reporting-framework is proportionate in terms of the costs that it involves for issuers on one side and the benefits it creates for investors on the other side does not seem to play a crucial role.

Possible alleviations for companies regarding disclosure duties without obvious corresponding investor-benefits are hardly touched on as is the ongoing discussion about information overload. We also miss an evaluation of the Market Abuse Directive, which has constituted a number of additional disclosure obligations and compliance duties for listed companies that have contributed to legal uncertainty, compliance risks and bureaucracy. Finally, many questions – especially on non-financial reporting – cannot be accurately answered without empiric evidence, which is still missing as European companies are preparing non-financial reports in accordance with the NFI Directive for the very first time this year.

From this perspective, we warmly invite the European Commission to focus on the collection of empiric evidence for the benefit of preparing a research study on the impact of the NFI Directive prior to considering any further regulatory steps in the field of non-financial/CSR-reporting.

In line with the Better Regulation-agenda, it should be the Commission's key objective to avoid the creation of new one-sided burdensome rules for the European economy setting European companies at competitive disadvantages vis-à-vis their third country competitors in a globalized economy.

I kindly ask you to take our thoughts into consideration in the forthcoming evaluation-process on the Fitness Check and remain at your disposal for an exchange of views.

Yours faithfully



Dr. Franz-Josef Leven  
Deputy Managing Director

**Cc: John Watson, EC General Secretariat, Directorate C, Better Regulation**