



11th November 2014

IOSCO
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Re Statement on Non-GAAP Financial Measures

The Financial Reporting and Analysis Committee (FRAC) of the CFA Society of the UK (CFA UK) welcomes the opportunity to respond to IOSCO's proposed [statement](#) on Non-GAAP Financial Measures.

CFA UK represents more than 10,000 investment professionals working across the financial sector. For advocacy purposes in the field of financial reporting, these members are represented by the FRAC.

The FRAC welcome IOSCO's statement on non-GAAP financial measures. We believe such measures can be useful for investors but only if they are presented in a fair manner that is not misleading. Ideally, they should be applied consistently across different time periods (restating prior years if necessary) and between companies in order to aid comparability. A clear reconciliation of GAAP and non-GAAP measures should be provided. It would be instructive for investors to know if any non-GAAP Key Performance Indicators were subject to any assurance from independent third parties, such as auditors.

We advocate harmonization of standards, including non-GAAP financial measures, globally and trust that IOSCO is liaising with other regulators, e.g. ESMA and the SEC, on alternative performance measures to ensure that the guidelines are complementary. Our views on the subject are summarized in the attached response to ESMA's consultation (2014/175 – [Guidelines on Alternative Performance Measures](#)) earlier this year as an appendix to this letter.

We look forward to discussing the issues raised in this response.

Yours sincerely,



Marietta Miemietz
Co-chair, Financial Reporting and Analysis Committee
CFA Society of the UK



Paul Lee
Co-chair, Financial Reporting and Analysis Committee
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Will Goodhart,
Chief Executive
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About CFA UK and CFA Institute

The CFA Society of the UK (CFA UK) represents the interests of more than 10,000 leading members of the UK investment profession. The society, which was founded in 1955, is one of the largest member societies of CFA Institute and is committed to leading the development of the investment profession through the promotion of the highest ethical standards and through the provision of continuing education, advocacy, information and career support on behalf of its members. Most CFA UK members have earned the Chartered Financial Analyst® (CFA®) designation, or are candidates registered in CFA Institute's CFA Program. Both members and candidates attest to adhere to CFA Institute's Code of Ethics and Standards of Professional Conduct.

CFA Institute is the global association for investment professionals. It administers the CFA and CIPM curriculum and exam programs worldwide; publishes research; conducts professional development programs; and sets voluntary, ethics-based professional and performance-reporting standards for the investment industry. CFA Institute has more than 100,000 members in 140 countries, of which more than 90,000 hold the Chartered Financial Analyst (CFA) designation.