

3 November 2020

Pauline Wallace, Chair
UK Endorsement Board
Financial Reporting Council
8th Floor, 125 London Wall
London EC2Y 5AS

Submitted by e-mail to: p.wallace@frc.org.uk

Dear Pauline

CFA UK Perspective on Accounting Standards' Adoption in the UK

We would like to congratulate you on your appointment as Chair of the UK Endorsement Board (the "Board"). Corporate reporting underpins many of our members' investment decisions and recommendations, and we look forward to providing input to the Board's activities in the future.

CFA Society of the UK's ("CFA UK") mission is to build a better investment profession for the ultimate benefit of society¹. The [Professionalism Steering Committee at CFA UK](#) oversees matters concerning both current and future regulation and market practices which affect our members and the wider investment profession in the UK. This includes providing input on developments in financial reporting.

Given the importance of corporate reporting to our members' work, CFA UK strongly believes that accounting standards should have the best interests of users in mind and be free of political objectives; therefore, the UK Endorsement Board's independence from government is crucial.

We believe that it is important that UK corporate reporting allows for global comparability and believe this will be even more critical following the UK's separation from the European Union. Surely, if 'Global Britain' is to be truly global then it should be seeking to use global standards. If there are significant differences in reporting standards, it is likely to make inward investment decisions into the UK from overseas more complex and costly. Therefore, we think any deviations from IFRS as issued by the IASB should be subject to a very high hurdle, that "Adoption on issue" should be the norm and that the grounds for any UK carve-outs or carve-ins should be clearly spelled out in your forthcoming endorsement criteria.

¹ For further highlights on CFA UK and our umbrella organisation CFA Institute please see Appendix I.

We look forward to engaging with you and the Board to provide the views of users of financial statements in due course. We would also welcome the chance to meet with you or your team at the right time to discuss how we might best provide such input.

Yours sincerely,



Will Goodhart,
Chief Executive
CFA Society of the UK



Hilary Eastman, CFA
Chair, Professionalism Steering Committee

Appendix I: About CFA UK and the CFA Institute

CFA UK: serves nearly 12,000 leading members of the UK investment profession. Many of our members work with pension funds, either managing investment portfolios, advising on investments or as an in-house employee responsible for pension investment oversight.

- The mission of CFA UK is to build a better investment profession and to do this through the promotion of the highest standards of ethics, education and professional excellence in order to serve society's best interests.
- Founded in 1955, CFA UK is one of the largest member societies of CFA Institute (see below) and provides 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.
- The Professionalism Steering Committee in particular aims to:
 - help improve the reputation of the investment profession through dialogue and engagement around the issues that affect our profession, our members and society;
 - ensure our members have a voice in developments in professional standards and regulation that are likely to affect the investment profession;
 - engage CFA UK members in the committee's advocacy work of [drafting responses](#) and other materials relating to professionalism and investment practices;
 - provide [educational resources](#) for our members on professionalism issues in investment;
 - contribute UK specific input to CFA Institute's international work; and
 - promote the value that our profession delivers to society.
- For more information, visit www.cfauk.org or follow us on Twitter @cfauk and on LinkedIn.com/company/cfa-uk/.

CFA Institute: is the global association for investment professionals that sets the standard for professional excellence and credentials.

- The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow.
- It awards the Chartered Financial Analyst® (CFA), and Certificate in Investment Performance Measurement® (CIPM) designations worldwide; publishes research; conducts professional development programs; and sets voluntary, ethics-based professional and performance-reporting standards for the investment industry.
- CFA Institute has members in 162 markets, of which more than 170,000 hold the Chartered Financial Analyst® (CFA) designation. CFA Institute has nine offices worldwide and there are 158 local member societies.
- For more information, visit www.cfainstitute.org or follow us on Twitter at @CFAINstitute and on Facebook.com/CFAINstitute.