



Report on the Conferences held in the 10th Edition of the EFFAS Summer School

On Wednesday, Mr Johan van Overtveldt, Belgian Minister of Finance, gave a very valuable keynote speech on the **"future of finance in Europe"** and the major challenges that our economies currently are facing. The very relevant and concrete inputs stimulated the active participation of multiple attendees. After him, Dr Koch, partner at McKinsey, elaborated about "the future of the asset management industry". He outlined the major trends within Europe, Asia and America, as well as within retail and institutional clients. Last but not least, Mr. Graham Bishop and Dr. Lief Dierks, did an outstanding analysis on the implications of the **Brexit** for both the UK and the European economies.

On Thursday, the agenda was devoted to on the latest updates in **Financial Reporting within the European framework** with the active participation of most relevant institutions, such as the European Financial Reporting Advisory Group (EFRAG), where EFFAS holds a board seat and a seat in the technical expert group (TEG) to represent European users, the International Accounting Standards Board (IASB) and the International Integrated Reporting Group (IIRC) where EFFAS holds a board seat as well.

Javier de Frutos, Chairman of the EFFAs FAC commission, opened the discussion addressing the relevance of Integrated Reporting ("IR") for investors and analysts when compared with mere financial reporting. He noted that "IR is important from the standpoint that additional strategic information is provided permitting a broader understanding of the business and how a company creates value". The challenge for users however, he added, "is how to quantify this information and how it is reflected in the share price of a company".

Andrew Jones, Lead, Investors Engagement at the IIRC contended that "IR is a tool to permit companies to deliver better corporate information to know how aspects such as environmental issues and human capital participation are addressed and how main corporate aspects contribute to value creation". In this context, Mr. Jean-Paul Gauzes, EFRAG Chairman, added in his remarks that "Europe is determined to incorporate financial reporting principles that contribute to financial stability and economic growth and to the European public good". He added that EFRAG always considers the cost-benefit of implementing an accounting standard and that the standard should not interfere with the economic environment nor with the



competition of European companies. In a similar way, the IASB is currently approaching the issuance of new IFRS standards.

Mr. Amaro, IASB Board member underlined that “the impact or so-called “Effects Analysis” that IFRS can have in the economic and financial environment has been already contemplated in issuing IFRS-16 on Leases”. He added that “some key IR aspects also have been incorporated”. The panel addressed the role of other stakeholders issuing guidelines for reporting additional information such as alternative performance measurements. Douglas Elespe, President of FIX SCR of Argentina (Fitch) added that “rating agencies also use IR along with in-house developed metrics to assess the companies’ creditworthiness”

Due to the introduction of a mandatory CSR report according to the EU directive from 2018 onwards, more than 6.000 European companies will have to report on this within a European framework for the first time. Consequently, a lot of national efforts become visible and a new chapter in international accounting will begin. Whether this will lead to better sustainability in general and reporting ESG assets in particular, has to be evaluated in a later stage.

Additionally, on Thursday we also organised a panel on **regulatory updates on the European financial markets**, and especially MiFiD II, its implications and how the professionals and companies operating in our markets are adjusting its operations to it, was presented. The panel was composed of two regulators: L’Autorité des Marchés Financiers (AMF) of France and the Comisión Nacional del Mercado de Valores (CNMV) of Spain and of two representative of users: Banco Santander and FinReg 360. The panel was chaired by Mr. Carpintero from KPMG.

Last but not Least, on Friday conferences were devoted to the **Behavioural Finance, NeuroFinance, Financial Data Science, Artificial Intelligence and ESG**. This first conference was a very interactive session showing clearly the direction in which financial markets are moving today. Fortunately, EFFAS is on the forefront of this international development with new programmes such as the “certificate of financial data science” which is being offered in Germany already and soon will be available throughout all EFFAS’ national member societies. Speakers presenting were: Dr. Andreas Hoepner, Associate Professor of Finance at ICMA Henley Business School, Mr. Roland Ullrich, Consultant and Coach for Neuro Finance and Prof. Dr. Markus Arnold, Professor of Behavioural and Management Accounting.



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The panel closing the 10th edition of the EFFAS Summer School was dedicated to the **Environmental Social Governance (ESG)** issues. Mr. Robert Klijn, founding partner at Fair Impact and Chairman of the Committee for Responsible Investment of the Dutch Association of Investment Professionals (VBA) was analysing “How to use ESG research tools and other information sources to improve the ESG performance of your investment portfolio” and Mr. Johan Broström, Senior Investment Adviser and. Member of the ESG Committee of the Swedish Association of Financial Analysts (SFF) introduced the keys for “Integrating ESG in Equity Research and Investment Decision”.

Global social and environmental challenges, regulatory and reputational risks, market scandals and new market opportunities make ESG information a data source of growing importance. With its excellent reputation, EFFAS is a pioneer and standard setter offering a structured ESG training since 2014. For more information on this program you can link to Prof. Dr. Bassen [CESGA presentation video](#) or read more on the [EFFAS website](#)