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European Securities and Markets
Authority (ESMA)
www.esma.europa.eu

Re: ESMA – Consultation Paper, Guidelines on Alternative Performance Measures

The Swedish Bankers' Association (the Association) appreciates the opportunity to express our opinion on ESMA's Consultation Paper, Guidelines on Alternative Performance Measures (APM).

The Association believes that the proposal on APMs is too far reaching. It will not only be complex and burdensome for the preparers to apply, but may also hinder transparency.

The Association support European Financial Reporting Advisory Group's (EFRAG's) position in their draft comment letter, which was published on 26 March, on ESMA's Consultation Paper, Guidelines on Alternative Performance Measures.

We have identified the same areas of concern as EFRAG including for example definition of APMs, scope of the proposed guidelines and prominence of defined measures over APMs. However, having said that we would like to highlight the following areas which are of most concern to us;

- The definition of APM is too broad. Given that broad definition we are not able to share some of the statements in the consultation paper. Due to the broad definition, clutter will be introduced, making it difficult for the users identifying the material differences between IFRS definitions and APMs.
- The definition of APMs should only include financial statements that have been prepared by using IFRS or any local GAAP standard. IFRS information is not by itself enough for the users to reach informed decisions. By scoping in everything being published which contains "regulated information" and combining that wide scope with a requirement to present IFRS information with more prominence, will firstly incentivize entities to avoid producing complementary information that is useful. Secondly, it may create clutter in the alternative information since IFRS information should be presented with more prominence. Especially in



some sectors, like for instance in extractive industries, financial statement information is not the most useful information.

- The definition shouldn't capture APMs that are "obvious", i.e. those that solely are based on figures from the financial reports. This again creates clutter that may cause difficulties for users identifying important differences between APMs and GAAP-figures.
- The scope and the definition of APMs risks impeding the financial information because the IFRS-data should always be presented with prominence.
- If the consultation paper becomes a reality it will be very challenging to fulfill the requirements for the preparers.
- The cost-benefit analysis in the consultation paper needs to be developed.
- Finally, we urge to consider that using "regulated data" as a term risks including all kinds of regulatory information given by regulated entities. We assume that this is an unintended consequence in drafting.

SWEDISH BANKERS' ASSOCIATION



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