

The Corporate Reporting Review Team Secretary  
Financial Reporting Council  
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16 June 2014

Dear Sir or Madam,

**Consultation Paper: Revised operating procedures for reviewing corporate reporting**

***Introduction***

We are the Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of European**Issuers**, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Financial Reporting Expert Group has examined your proposals and advised on this response. A list of members of the Expert Group is at Appendix A.

***Response***

We welcome the opportunity to comment on the proposed changes to the operating procedures for reviewing corporate reporting. We recognise the contribution that Corporate Reporting Review makes to ensuring high quality reporting in the UK. In particular, we welcome the change to the operating procedures which confirms that the Conduct Committee ('the Committee') will encourage companies to cut clutter from the report and accounts.

**Responses to specific questions**

**Q1 Do you support the description of the Committee reference and the proposals in paragraphs 67 and 68?**

The proposals do not make the threshold for a Committee reference clear. Paragraph 62 states that the Committee reserves the right to make a press notice where a 'significant change' is made following the Committee's intervention; however, paragraph 67 gives no such qualitative or quantitative guidance.

Additionally, we are not clear on whether the Committee would have the right to insist on a reference being made to the intervention by the Committee in the manner envisaged by paragraph 67. Given that the matter would clearly not be regarded as 'significant' (otherwise a press notice would be issued under

paragraph 62), we assume that the Committee has no right to require such a notice to be made. We would therefore ask that this is highlighted in any approach to companies.

In conclusion, we do not believe that it is appropriate for the Committee to insist on a reference each time it makes a request for a matter to be changed or clarified. We believe that such a change to the Committee's Operating Procedures will be seen as being an overly aggressive response by the Regulator. For this reason, and with the danger that the Committee will interpret paragraph 67 in an overzealous way, we cannot support the change without greater guidance being given.

**Q2 Do you support our proposal to identify companies who have published a Committee reference in the Committee's next annual report?**

Subject to our answer to Question 1 above and provided that companies are clear as to what powers the Committee has to insist on such a reference being made (and therefore subsequently being referred to in the Committee's annual report), we would have no objections.

If you would like to discuss any of our responses in more detail, we would be happy to attend a meeting.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'T. Ward', with a stylized flourish at the end.

Tim Ward  
Chief Executive

**Quoted Companies Alliance Financial Reporting Expert Group**

Matthew Stallabrass (Chairman)	Crowe Clark Whitehill LLP
Joseph Archer	Crowe Clark Whitehill LLP
Edward Beale	Western Selection Plc
Anthony Carey	Mazars LLP
Ian Davies	Vislink PLC
Anna Draper	BDO LLP
Jack Easton	UHY Hacker Young
Bill Farren/Ian Smith	Deloitte LLP
David Gray	DHG Management
Matthew Howells	Smith & Williamson LLP
Shalini Kashyap	EY
Jonathan Lowe/Paul Watts /Nick Winters	Baker Tilly
Niraj Patel	Saffery Champness
Nigel Smethers	One Media IP Group plc
Chris Smith	Grant Thornton UK LLP