

Brasília, Brazil, December 28, 2020

IFRS Foundation

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commentletters@ifrs.org

Dear Sirs,

The Conselho Federal de Contabilidade – CFC (“we or “CFC”) is the national body of the accounting profession in Brazil that sets Brazilian Accounting, Auditing and Ethics Standards. We also regulate, supervises the profession and promote continuing professional development.

CFC has been active on the world scenario for over seventy years, participating in accounting discussions, through representations in international organizations such as IFAC, IASB, Comité de Integración Latino Europa-América (CILEA), in GLASS (Group Latin American Standard Setters) and Interamerican Accounting Association. Additionally, in Brazil, the CFC led the study of a standard based on the conceptual framework of the International Integrated Reporting Council (IIRC). This standard will be, starting in 2021, voluntarily adopted for Brazilian entities.

Additionally, CFC is member of the Comitê de Pronunciamentos Contábeis (CPC) that is a Committee in charge of the convergence of Brazilian accounting standards to IFRS. CPC issues the converged standards that are approved by relevant regulators, including CFC. In our interaction with CPC, CFC actively participated in the comment letter sent by the CPC on 23 December 2020. Accordingly, we do not intend with this letter to respond to each question put in the public IFRS Foundation Consultation rather we will make overall comments to issues that we believe are important to be specifically addressed.

First of all, we would like to congratulate the IFRS Foundation’s initiative in studying alternatives for the establishment of standards on Sustainability Reporting. Those studies are essential to obtain a globally accepted and high-quality standard on sustainability.

In this regard, we do believe there is a need for urgent standards on sustainability to be supported by the IFRS foundation through the creation of a new Standard Setter Board (“New SSB”) that should have appropriate representation (including regional ones to be globally accepted), sound governance, adequately funded by multiple stakeholders and should not be limited to climate change matters rather should be also expanded to Environment, Social and Government matters.

The standards to be issued by the New SSB should also contemplate the specific needs of the small and medium entities. This New SSB should consider having a separate “light standard” to contemplate the size and complexity of the small and medium entities and additionally issue more extensive and detailed standards for the other entities, including large and public interest entities.

In order to be easily accepted and adopted, the New SSB should also consider issuing specific guidance in different languages. For example, in the Portuguese Language. This initiative could be made, in the case of Portuguese, in collaboration with the Union of Portuguese Language Accountants and Auditors (UCALP).

For your information, the Union of Portuguese Language Accountants and Auditors (UCALP) is a non-profit association, incorporated in September 2019, which brings together the regulatory bodies of the accountant and auditor professions, in Portuguese-speaking countries or jurisdictions, and is headquartered in Lisbon, Portugal. UCALP's mission is to reinforce the public interest of Portuguese-speaking professionals and the relationship between these professionals and their economies.

Please feel free to reach us in case you have any question or observation on our response letter.

Sincerely yours,



Zulmirvanio Breda
President