

ASSIREVI
Associazione Italiana Revisori Contabili

Il Presidente

ESMA
European Securities and Markets Authority
103 rue de Grenelle
75007 Paris
France

14 May 2014

Consultation Paper – ESMA Guidelines on Alternatives Performance Measures

Dear Sirs,

Assirevi is the association of Italian audit firms. Its member firms represent the majority of the audit firms under the oversight of CONSOB (*Commissione Nazionale per le Società e la Borsa*) and are responsible for the audit of almost all of the companies listed on the Italian stock exchange. Assirevi promotes technical research in the field of auditing and accounting and publishes technical guidelines for its members. It collaborates with Governmental bodies, CONSOB, the Italian accounting profession and other bodies in the development of auditing and accounting standards.

Assirevi is pleased to submit its comments on the Consultation Paper “ESMA Guidelines on Alternatives Performance Measures” issued by the European Securities and Markets Authority (“ESMA”) on 13 February 2014.

Our detailed comments are set out in the attached document.

Should you wish to discuss our comments, please do not hesitate to contact us.

Yours faithfully,



Mario Boella
Chairman of Assirevi

COMMENTS ON THE ESMA CONSULTATION PAPER

“ESMA Guidelines on Alternative Performance Measures”

(February 2014)

Responses to questions:

- Q1: Do you agree that the ESMA [draft] guidelines should apply to all issuers defined as a legal entity governed by private or public law, other than Member States or Member State's regional or local authorities, whose securities are admitted to trading on a regulated market, the issuer being, in the case of depository receipts representing securities, the issuer of the securities represented regardless of the financial reporting framework they use to report? If not, why?

YES

- Q2: Do you agree that the ESMA [draft] guidelines should apply to APMs included in:
a) financial statements prepared in accordance with the applicable financial reporting framework, that are made publicly available, and
b) all other issued documents containing regulated information that are made publicly available?
If not, why?

YES but we suggest that the guidelines should contain an indication stating that APMs shouldn't be presented in the financial statements and/or notes, in order not to be confused with GAAP measures.

- Q3: Do you believe that the ESMA [draft] guidelines should also be applicable to prospectuses and other related documents, which include APMs (except for pro-forma information, profits forecasts or other measures which have specific requirements set out in the Prospectus Directive or Prospectus Directive implementing regulation)? Please provide your reasons.

YES

- Q4: Do you believe that issuing ESMA guidelines constitute a useful tool for dealing with the issues encountered with the use of APMs? If not, why?

YES

- Q5: Do you agree with the suggested scope of the term APM as used in the [draft] guidelines? If not, why?

YES, we agree but we suggest that the definition of an APM should focus primarily on the presentation of, and information about, APMs that are financial measures. The financial measures captured should only be those that have been prepared using financial data underlying the preparation of an entity's historic, current and future financial statements.

- Q6: Do you believe that issuers should disclose in an appendix to the publication a list giving definitions of all APMs used? If not, why?

YES

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Q7: Do you agree that issuers should disclose a reconciliation of an APM to the most relevant amount presented in the financial statements? If not, why?

YES

Q8: Do you agree that issuers should explain the use of APMs? If not, why?

YES

Q9: Do you agree that APMs presented outside financial statements should be displayed with less prominence, emphasis or authority than measures directly stemming from financial statements prepared in accordance with the applicable financial reporting framework? If not, why?

YES we agree but we believe that the guidelines should provide more guidance and examples on the meaning of “presented outside financial statements” and on the application of the terms “prominence, emphasis or authority”.

Q10: Do you agree that issuers should explain the reasons for changing the definition and/or calculation of an APM? If not, why?

YES

Q11: Do you believe that issuers should provide comparatives and/or restatements when an APM changes? If not, why?

YES

Q12: Do you believe that issuers should provide explanations when they no longer use an APM? If not, why?

YES

Q13: Do you agree that the [draft] guidelines will improve transparency, neutrality and comparability on financial performance measures to users? If not, please provide suggestions.

YES

Q14: Do you agree with the analysis of the cost and benefit impact of the [draft] guidelines? Please provide any evidence or data that would further inform the analysis of the likely cost and benefits impacts of the proposals.

YES